

**xd connects**

# **annual impact report 2024**

Publication date: 7 May 2025





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# A message from our CEO

Dear reader,

Welcome to our 2024 Impact Report!

This year marks a key moment for us: our 10th anniversary of ESG reporting. When we published our Vision2020 report in 2015, offering insights into our 2014 activities, we set out on a path of continuous improvement. A decade later, the landscape we operate in has significantly changed—expectations have grown, regulations have evolved, and transparency has become increasingly important.



**“Together, we’re shaping an industry where corporate responsibility and innovation go hand in hand”**

At XD Connects, we embrace these changes. We have long believed that business as usual is no longer a viable option, and this belief has guided us through 10 exciting and ambitious years.

Reflecting on the past year, 2024 has been one of progress and dedication. The validation of our near- and long-term environmental goals by the Science Based Targets initiative (SBTi) marks an important point in our ongoing journey toward measurable, impactful change. Setting targets is one thing, but making sure they stand up to external scrutiny and truly contribute to global climate goals is another. With this validation, we strengthen our accountability and deepen our commitment to reducing emissions across our operations.

Transparency has remained a key focus for us during the past year. We contributed to improving the Aware™ Digital Product Passport, offering greater insight into material composition, impact data, and product journey. At the same time, we took on an industry-first challenge:

developing a tool to calculate the CO<sub>2</sub> emissions related to product decorations. By addressing this often overlooked impact, we’re pioneering a new level of transparency—one that will empower both us and our customers to take more responsible choices.

Our commitment to ethical practices goes beyond our own operations. In 2024, we continued to engage with our direct suppliers to ensure that the factories producing our items undergo annual social audits. By the end of the year, the greatest majority of these factories had a valid social audit. We understand that our supply chain extends beyond these factories and remain committed to progressively strengthening our oversight and gaining a more comprehensive view of our broader supply network.

Externally, our dedication to responsible business was recognised in our 2024 EcoVadis assessment, where we received a Platinum medal and ranked in the top 1% of our industry. While this is a great achievement, we see it as more than just a milestone—it’s a challenge to keep improving and pushing forward.

Finally, 2024 has also been a year of collaboration. We’ve expanded our brand portfolio, welcoming new partners who share our vision of quality and innovation. These partnerships help us build a future where responsible business practices are the norm, not the exception—because alone we are strong, but together we are stronger.

As we look ahead, we remain driven by the same purpose that has guided us over the last decade. I want to extend my gratitude to our team for their unwavering dedication, our partners for their continued support, and our customers for their trust. Together, we’re shaping an industry where corporate responsibility and innovation go hand in hand. And our journey is far from over.

A handwritten signature in black ink, appearing to read 'Albert van der Veen'. The signature is stylized with long, sweeping strokes.

**Albert van der Veen**  
CEO



# Introduction

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# About XD Connects

Founded in 1986, XD Connects is a well-established supplier of corporate gifts. Headquartered in the Netherlands, we have a strong presence across Europe, including the Nordics, the United Kingdom, Germany, France, Italy, and Spain. We also have an office in Shanghai, while our decorating facility, Printmasters, is located in Romania. XD Connects, along with its associated entities, operates under Hunter Acquisition Holding.

Following our ESG roadmap, we continuously drive projects to meet our ESG targets and consistently monitor progress. At the foundation of our commitments lie our mission and core values, which guide our approach to responsible business practices and continuous improvement.

## Mission

**‘Strive for positive change by providing the best low-impact gift, which connects businesses with their employees and customers whilst minimising the impact on the environment’.**

## Core values:



### Maximum gift experience with minimum impact

To enhance the appreciation of our gifts and the resulting connection between giver and receiver, we focus on delivering the highest possible product quality, as defined by durability, functionality, and minimal use of natural resources. Where possible, products are made from (certified and traceable) recycled materials to lower the carbon footprint.



### Take responsibility towards our communities

We consider ourselves to be an integral part of an ecosystem of stakeholders, which includes our employees, our suppliers and our customers. We recognise our responsibilities to all these stakeholders and make our decisions keeping in mind their well-being. It is our policy to employ people who share these same fundamental values, whilst advocating diversity.



### Open and transparent

As a company our objective is to work with maximum transparency, both internally and externally. In all aspects of our business, we encourage open communication, a collaborative atmosphere and maximum simplicity.



### Strive for positive change

Acknowledging that our industry has an inherent impact on the planet, we must endeavour to fundamentally change the way we do business. As a result, decision-making is done in the context of global environmental challenges and where possible our actions should serve to minimise the problem. Our actions and activities are under continuous evaluation and reassessment as we strive for improvement. As market pioneer, we are paving the way for the rest of the industry.



### Give back to the planet

To help mitigate the negative environmental consequences of our business activities, we impose upon ourselves to contribute part of our earnings to non-profit organizations that are actively involved in combatting the environmental challenges our planet is facing.

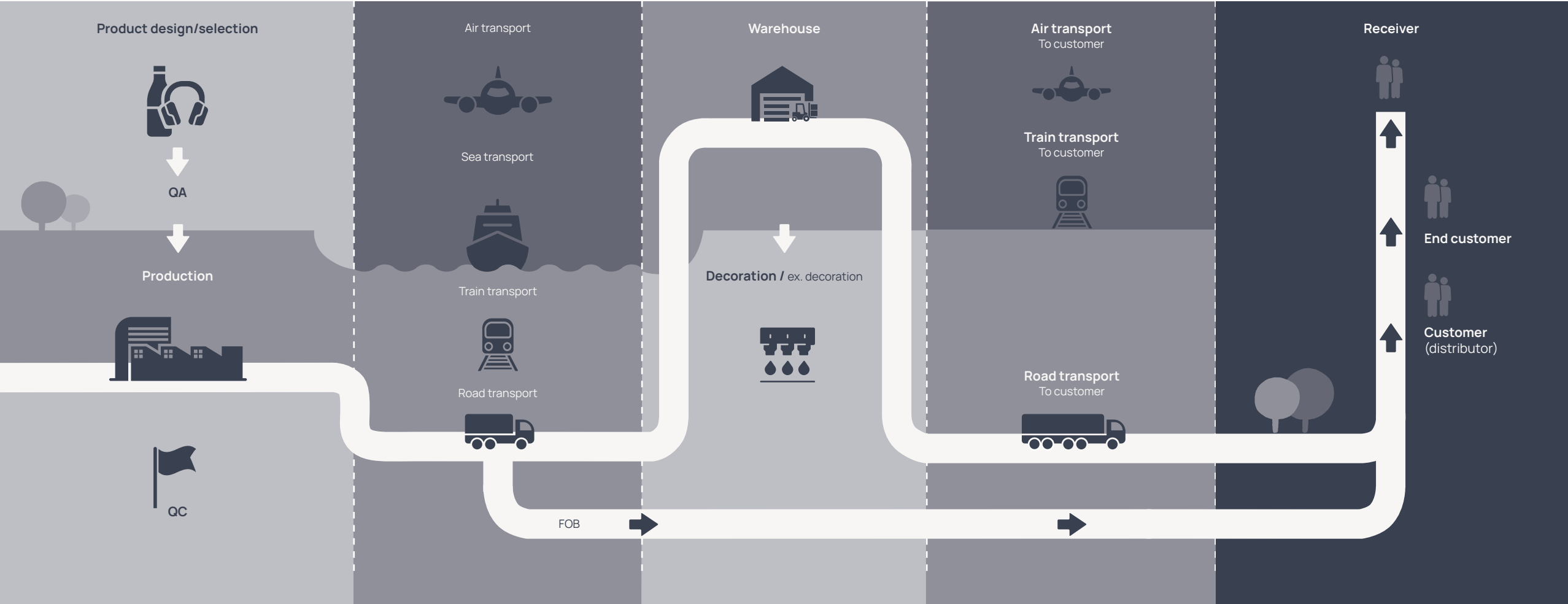


# Our value chain

The infographic below provides an overview of our value chain, which extends beyond our suppliers to include our own operations, customers, and end users. By mapping the entire value chain, we gain a clearer understanding of the stakeholders influenced by our business, allowing us to integrate them effectively into our ESG strategy.

- Own operations / stakeholders
- External operations / stakeholders
- Customers / stakeholders

GRI 2-6





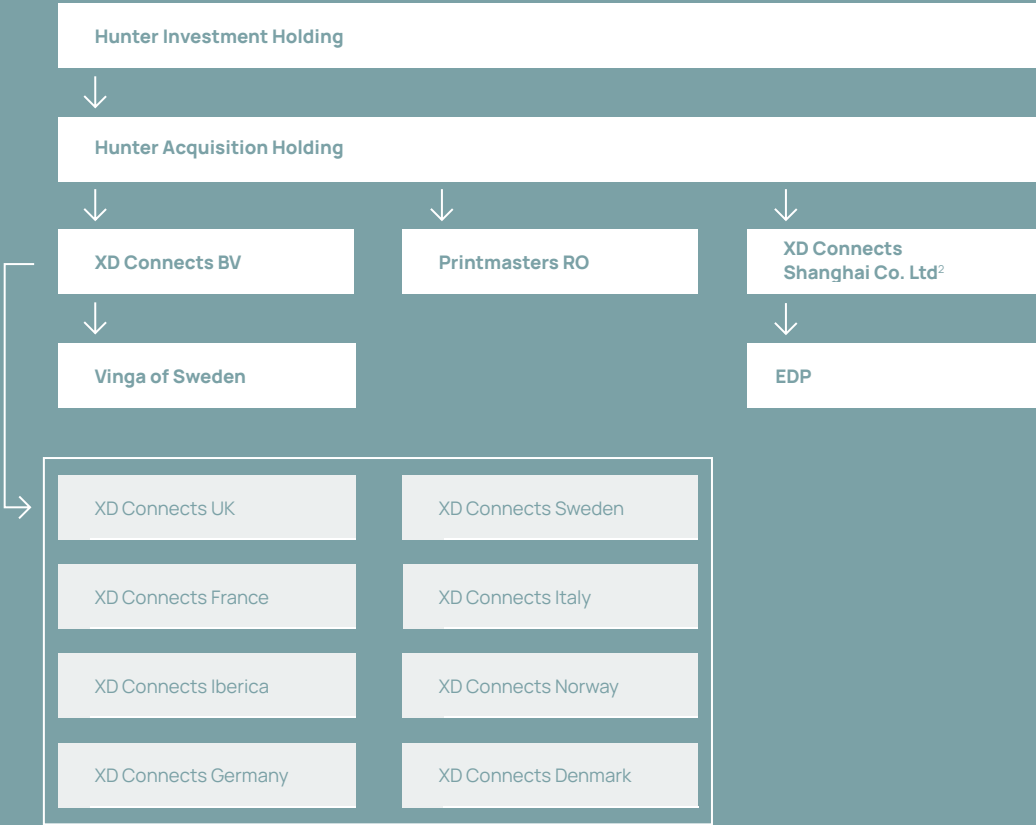
# In this report

This report provides an overview of the activities carried out by Hunter Acquisition Holding, widely known as XD Connects, throughout the 2024 calendar year, which corresponds with our financial reporting period. This report is organised into three main sections: Environmental, Social, and Governance. We have aligned with the GRI Standards and included a GRI Content Index at the end.

This report covers all entities under Hunter Acquisition Holding, as outlined in the organisational chart to the right. In 2024, two new entities were added—XD Connects Norway and XD Connects Denmark— while our administrative entity XD Connects US was dissolved.

Please note that not all entities in the group structure represent a physical location; in some countries, we operate without a physical office, relying instead on sales representatives who travel or work remotely.

Group structure (per 31-12-2024)



<sup>2</sup> Officially registered as Xindao Shanghai.



# Double Materiality Assessment & CSRD Reporting

In our 2023 Annual Impact report, we outlined the importance of a Double Materiality Assessment (DMA) and explained how to interpret one. The DMA serves as the starting point for the EU's Corporate Sustainability Reporting Directive (CSRD).

In 2024, we focused on preparing for our reporting in 2026 in line with the CSRD. However, at the time of writing, the Omnibus Proposal has been submitted by the EU Commission to delay CSRD reporting, alter the scope, and simplify the ESRS data points.

The CSRD serves several key purposes, including establishing a level playing field for companies reporting on ESG-related topics, providing a unified structure and requirements for comparability of reports and results.

Additionally, companies are required to set goals and report on future developments regarding their impact, specifying projects aimed at reducing and mitigating negative effects—both those caused by the company and those that impact the company.

Recognising opportunities within the identified topics is also an essential aspect of both the DMA and CSRD reporting process.

Until a final decision is made on the Omnibus, we will continue to prepare for reporting in 2026, also if reporting is delayed. For XD Connects, the true goal of the CSRD is not simply to fulfil a reporting requirement but to understand our impacts, evaluate how external factors affect our business, and explore how we can drive positive change moving forward. This approach aligns closely with our company strategy, making XD Connects a strong advocate for CSRD reporting.

## In 2024, we took the following steps in preparation for the CSRD:

- Established a small working group to ensure continuity and structure in monthly meetings
- Organized the ESRS data points based on the material topics identified through the DMA
- Involved managers responsible for reporting on the abovementioned data points
- Conducted a gap analysis on the data points to assess availability, quality, source, and traceability/auditability of data
- Shared progress with an external auditor to assess our preparedness
- Explored software and tools to support more efficient reporting

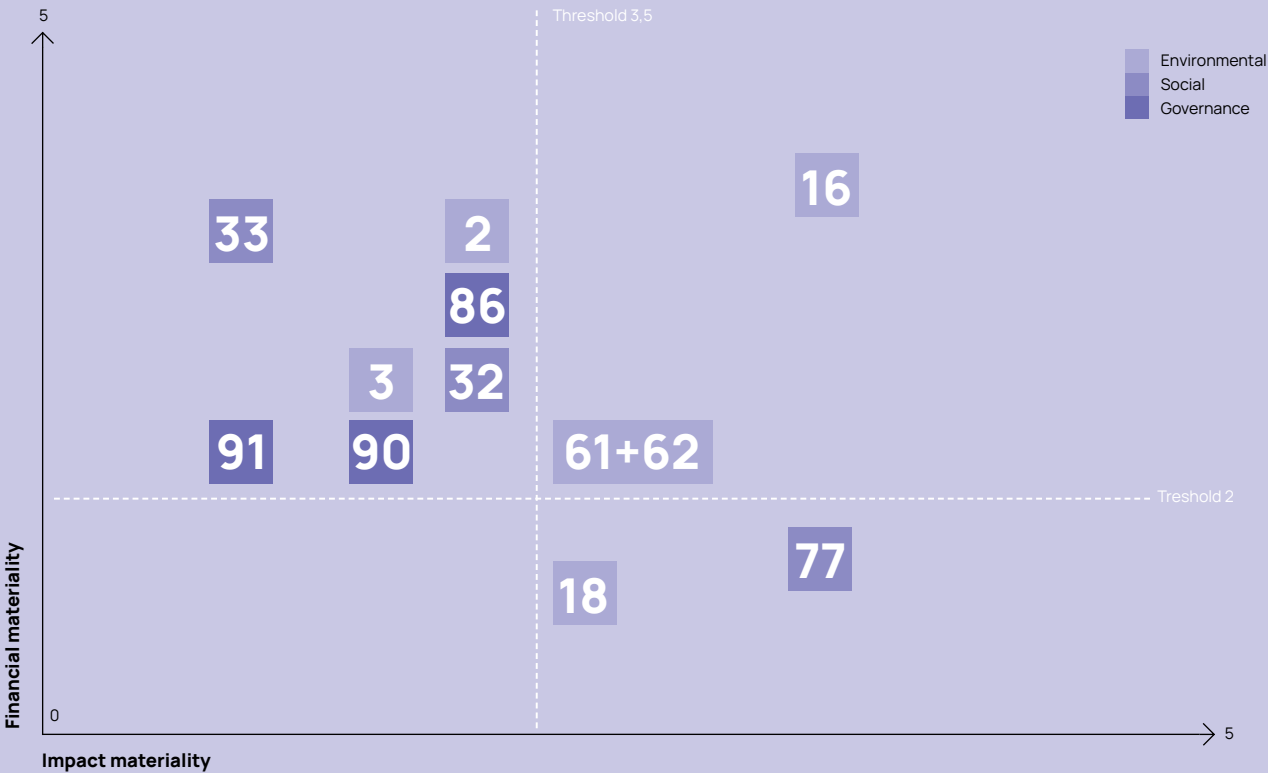
As part of our ongoing commitment to comprehensive CSRD reporting, we have confirmed the relevance of the 12 current material topics. These will undergo a minor review toward the end of 2025.

## Summary of our DMA

The material topics identified through our DMA are shown in the table on the next page. To avoid repetition, we refer to our Annual Impact Report 2023 for details on the process used to determine material topics and how we manage them. This report is available in the ESG Document Library on our [website](#).



Current scoring with impact materiality treshold is 3.5  
and financial materiality is 2



Environmental

- 2. Climate change - Climate Change mitigation ↗ GRI 3-2
- 3. Climate change - Energy
- 16. Circular economy - Resources inflows, including resources use
- 18. Circular economy - Waste

Social

- 32. Own workforce - Working time
- 33. Own workforce - Adequate wages
- 61. Work value chain - Child labour
- 62. Work value chain - Forced labour
- 77. Consumers and end-users - Privacy

Governance

- 86. Business conduct - Corporate culture
- 90. Business conduct - Management of relationships with suppliers incl. payment practices
- 91. Business conduct - Corruption and bribery - Preventing and detection including training



# Executive summary





# A year in review

This summary highlights the key actions, progress, and insights that shaped XD Connects' ESG journey in 2024.

## Environmental

Our environmental ESG strategy covers several key areas, with a particular focus on emissions. In 2024, our total greenhouse gas emissions increased by 5.1% compared to 2023. Looking more closely, Scope 1 and 2 emissions—which are more directly within our control but represent a small share of our total emissions—decreased. This was largely due to:

### -28%

A 28% reduction in emissions from natural gas use, particularly at our decorating facility, Printmasters.

### -12%

A 12% cut in emissions from company cars, due to our ongoing transition to electric and hybrid vehicles.

### -16%

A 16% decrease in emissions from electricity consumption, thanks to the installation of solar panels at Printmasters.

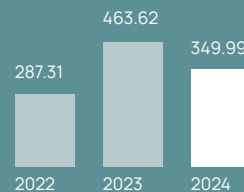
### -14.6%

A 14.6% reduction in emissions from business travels, reflecting our efforts to minimise travel.

In contrast, Scope 3 emissions, which account for the majority of our total emissions and are primarily linked to product emissions, increased. This was largely driven by a rise in sales: 750,000 more items were sold in 2024 compared to 2023. Our apparel brand Iqoniq, in particular, saw notable growth, selling four times more than the previous year.

#### Scope 1

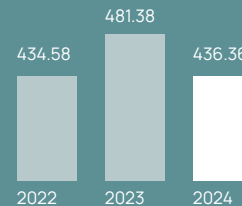
direct GHG emissions



Quantity per year  
Unit tCO2e

#### Scope 2

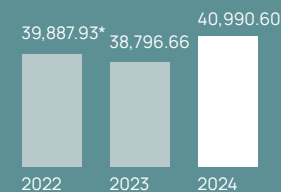
indirect GHG emissions



Quantity per year  
Unit tCO2e

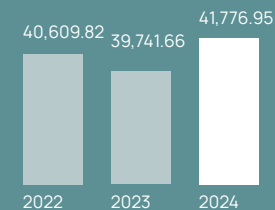
#### Scope 3

other indirect GHG emissions



Quantity per year  
Unit tCO2e

#### Total



Quantity per year  
Unit tCO2e

Scope 1: Direct emissions from owned or controlled sources, such as company vehicles and lease cars.

Scope 2: Indirect emissions from the generation of purchased electricity, heating and cooling, such as what is necessary to power our office and decorating facility.

Scope 3: All other indirect emissions that occur in a company's value chain not already included in Scope 2. This includes the manufacturing of our items.

\*Please note that in 2024 we recalculated our 2022 CO<sub>2</sub> footprint for our SBTi submission using more accurate data that was not yet available in 2023. Consequently, this figure differs from the one published in last year's report and is more precise.

While higher sales contributed to increased overall emissions, this increase was partially mitigated by our efforts to reduce the carbon footprint of our product collection. In 2024:

## 93%

93% of new items introduced were classified as lower-impact while some high-footprint products were phased out, bringing the overall share of lower-impact products in our collection to 86%. We also increased the proportion of lower-impact materials in products already considered lower-impact.

## -10.5%

The average carbon footprint of Iqoniq items, our apparel brand, decreased by 10.5%, due in particular to greater use of recycled materials.

## 60%

The share of sales from lower-impact products rose to 60%, up from 47% in 2023.

## 7,313 tCO<sub>2</sub>e

Compared to a benchmark scenario using only conventional materials, we avoided 7,313 tonnes of CO<sub>2</sub> emissions based on 2024 sales.



# -96.5%

We also monitor water use and waste generation across all entities, with particular attention to our decorating facility, Printmasters, where these topics are more relevant. In 2024, we maintained a 96.5% reduction in water use for decorations compared to our 2021 base year.

However, household water use and waste generation at Printmasters increased, largely due to higher production volumes and a growing team.

To explore our environmental performance in more detail, jump to [page 14](#).

## Social

With our operations, we have an impact on several key groups, including our suppliers, end-users, and employees.

In 2024, we worked with 132 suppliers, of which 106 were direct suppliers (manufacturers, excluding traders and external brands). Key supplier data for 2024 includes:

 **86.8%**

86.8% of direct suppliers had a valid social audit, a slight increase from 2023 (85%).

 **100%**

If we only consider the top 25% of direct suppliers (based on order value), 100% had a valid social audit.

 **100%**

For our apparel brand Iqoniq, we require all suppliers (all tiers) in the recycled content supply chain to have a valid social audit. In 2024, 100% of them met this requirement. Our goal is to extend this same requirement to the organic fabric supply chain.

In 2024, we continued to prioritise the health and safety of end-users. During the year, we strengthened our focus on chemicals like PFAS and PVC, conducting full risk analyses for relevant products. The results of our chemical testing show significant improvements compared to 2023.

Our employees also remained a key focus area. In 2024, we conducted an employee satisfaction survey. The results, highlighting both our strengths and areas for improvement, will be used to develop an action plan. Additionally, we launched an employee engagement project aimed at enhancing ESG awareness across the organisation.

More details on social topics can be found in the Social chapter, starting at [page 34](#).

## Governance

Governance remained a key area in 2024, with continued focus on transparency, accountability, and responsible decision-making.

A great achievement of 2024 was our EcoVadis assessment, where we earned a score of 80 out of 100, securing a Platinum Medal and placing us in the top 1% of all companies assessed in the 12 months preceding our evaluation..



Additionally, the Board of Directors, the highest decision-making body overseeing the company's operations, was strengthened by the inclusion of the Director of Commercial Technology. This addition underscores the growing importance of technology management at the highest levels of decision-making.

To read more about Governance topics, go to [page 47](#).

# Environmental

14	Emissions
22	ESG in product development
31	Water
33	Waste





# Environmental

This chapter is divided into four key impact areas: emissions, ESG in product development, water, and waste. Emissions are a core pillar of our ESG roadmap, with a strong focus on detailed monitoring of greenhouse gas (GHG) emissions (all scopes) and conducting life cycle assessments (LCA) for our entire product collection. Waste and water are particularly relevant to Printmasters—our decorating facility—as part of their daily operations, while XD Connects and Vinga address these aspects indirectly through product design, claims, and remittances.

## Emissions

As mentioned above, a key focus of our environmental strategy is the accurate measurement of CO<sub>2</sub> emissions. We have been tracking our emissions for five years, progressively expanding the scope and improving the accuracy of the data each year in accordance with the Greenhouse Gas Protocol Corporate Standard. Our GHG reporting is now comprehensive, covering all relevant sections of the protocol. A crucial element of this measurement is assessing the CO<sub>2</sub> footprint of our products, which we do by conducting life cycle assessments (LCAs) for all 1,800+ models in our collection, following the ISO 14064 standards using the #Ontrack calculation tool.

Measuring our CO<sub>2</sub> emissions helps us identify key areas for reduction. As part of this effort, in 2023, we submitted our goals to the Science Based Targets initiative (SBTi), using 2022 as our base year— as this was when the scope of our reporting became significantly more comprehensive.

In 2024, our targets were reviewed and validated. More details on SBTi will follow in a dedicated paragraph.

For our GHG reports, we have adopted the 'control approach', meaning that we included in the scope of our reports, entities over which we have operational control. For further details on the standards, methodologies, assumptions, and calculation tools we used, our consolidated Holding report is available in our ESG library on our website.

### Placing GHG in a business context

The results of our GHG reports guide our emission reduction efforts. To account for changes in our business, we use emission intensity metrics, such as emissions per full-time equivalent (FTE) and emissions per revenue ratio. These metrics help us assess how our emissions evolve as our business develops, ensuring that emissions are managed in proportion to these changes.

Overall, the great majority of our emissions—around 90%—originate from our product collection. As a result, we have placed a strong focus on offering products made with lower-impact materials. To measure our progress, we compare the products we

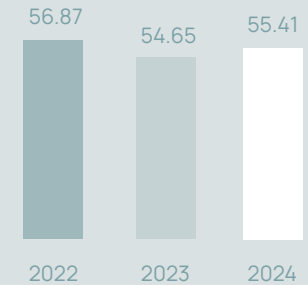
sell with a 'benchmark'—the same product made with conventional materials. This comparison allows us to quantify the emissions avoided as a result of the changes we have made to our product collection.



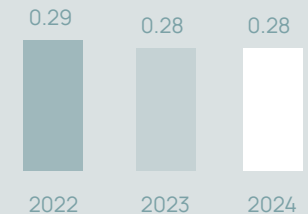
**“Understanding our impact is the first step toward reducing it—we can’t change what we don’t measure or fully understand. Through Life Cycle Assessments (LCA), we gain valuable insights that help us make informed, responsible choices and design lower-impact (corporate) gifts while maintaining high quality, leaving a positive mark on our industry.”**

— Vicky Junejo  
(LCA Specialist at XD Connects)

### Emission intensity metrics



### Emissions per FTE (tCO<sub>2</sub>e/FTE)



### Emissions per revenue (kgCO<sub>2</sub>e/€)

Learnings from our GHG reports

Our annual GHG reports continue to provide valuable insights into our carbon emissions and highlight areas for improvement. We report according to the GHG Protocol for Scope 1, Scope 2, and Scope 3. Over the years, we have consistently improved the accuracy and completeness of our data collection. The reports cover both the holding and entity levels, providing a detailed breakdown of: XD Connects BV (including country offices and Vinga), XD Connects Shanghai, and Printmasters.

As in previous years, Scope 3 emissions remain the largest contributor to our overall emissions, accounting for 98% of the total. These emissions are primarily related to our product collection, transportation, and customer product selection, which are not entirely under our direct control.

Reducing Scope 3 emissions—particularly in the Purchased Goods and Services category—continues to be one of our main priorities and one of the greatest challenges. Collaboration with suppliers and customers remains crucial to making a meaningful impact in this area.

By contrast, Scope 1 and 2 emissions are directly within our control and cover emissions from electricity use, heating, cooling in our facilities, and emissions from company cars. In 2024, we saw strong reductions in both Scope 1 and Scope 2 emissions:

- Scope 1 emissions decreased by 24.5%
- Scope 2 emissions decreased by 9.4%

Description	Quantity 2022	Quantity 2023	Quantity 2024	Unit
Scope 1 direct GHG emissions	287.31	463.62	349.99	tCO <sub>2</sub> e
Scope 2 indirect GHG emissions	434.58	481.38	436.36	tCO <sub>2</sub> e
Scope 3 other indirect GHG emissions	39,887.93*	38,796.66	40,990.60	tCO <sub>2</sub> e
Total	40,609.82	39,741.66	41,776.95	

\* In 2024, we recalculated our 2022 CO<sub>2</sub> footprint for our SBTi submission using more accurate data that was not yet available in 2023. Consequently, this figure differs from the one published in last year's report and is more precise.

For a detailed break down of the three scopes and categories, usage and data quality information, visit our [ESG library](#) for our GHG report.

Overall emissions in 2024

+5.1%

Our total emissions increased by 5.1% compared to 2023.

This increase was primarily driven by Scope 3 emissions, due to the sale of 750,000 additional items compared to 2023. However, we made significant strides in reducing emissions from our direct operations:

-28%

→ Emissions from natural gas use decreased by 28%, with notable reductions at Printmasters.

-12%

→ Emissions from owned vehicles dropped by 12%, due to a gradual transition to electric and hybrid cars.

-16%

→ Emissions from electricity consumption was reduced by 16%, thanks to the installation of solar panels at Printmasters.

-14.6%

→ Emissions from business travel was reduced by 14.6% across all entities, reflecting our ongoing efforts to minimise travel.



Product emissions in perspective

90%

Product emissions account for over 90% of our Scope 3 emissions and include transportation, use, and end-of-life of sold products. These emissions are measured by conducting a Life Cycle Assessment (LCA) for all products in our collection. Managing these emissions remains a key focus of our ESG strategy.

Share of sales from low-impact products



A key highlight of 2024 is the significant progress we have made in the sale of lower-impact products\*. These now account for 60% of all sales, up from 47% in 2023.

Product emissions avoidance

We measure the emissions avoided with our lower-impact products by comparing their CO<sub>2</sub> footprint with a benchmark representing the CO<sub>2</sub> footprint of equivalent products made from conventional materials.



In 2024, increased sales of lower-impact products led to a 16% product emissions avoidance compared to a hypothetical scenario where all sold products were made from conventional materials—an improvement from 11% in 2023.

This remains a key metric, demonstrating the tangible impact of material choices on our CO<sub>2</sub> footprint. All product categories improved in emissions avoidance, reinforcing our commitment to minimising our environmental footprint, even while expanding our product collection.

Hard Goods vs. Soft Goods

We separate hard and soft goods when analysing our product footprint, as they differ significantly in impact. This is particularly useful since we introduced our textile collection IQONIQ in 2023, which grew rapidly in 2024.

Hard Goods

In 2024, CO<sub>2</sub> emissions from hard goods decreased by 143 tons, even as sales increased by more than 80,000 items. This progress is largely driven by a shift towards lower-impact materials and a higher share of lower-impact product sales across all product groups. This is a clear evidence that both our material choices and our customers' preferences for lower-impact items are making a measurable difference.

-143 tCO<sub>2</sub>e

Soft Goods

In 2024, we sold nearly 700,000 more soft goods than the previous year, driven in particular by the strong growth of our apparel collection, Iqoniq. This increase in sales led to a rise in absolute CO<sub>2</sub> emissions of 4,563 tons. However, through targeted efforts to reduce the footprint of our apparel products, we achieved a 10.5% decrease in average emissions per apparel item, based on sales volumes, compared to 2023.

+4,563 tCO<sub>2</sub>e

\*Lower-impact products are defined as products that have a reduced impact on the environment as a result of the use of responsibly sourced or recycled materials that meet traceability requirements.

Some Insights

7,313 tCO<sub>2</sub>e

Compared to the benchmark, we avoided 7,313 tons of CO<sub>2</sub>, thanks to our strong lower-impact product sales. In 2023, this figure was 4,309 tons.

1,795 tCO<sub>2</sub>e

CO<sub>2</sub> emissions in our Drinkware category were reduced by 6.2%. As one of our top-selling product categories, we continue to witness the environmental benefits of continuously improving our collection. We prioritise using lower-impact materials, such as Recycled Stainless Steel and Recycled PET, which helped avoid 1,795 tons of CO<sub>2</sub> compared to the benchmark.

1,869 tCO<sub>2</sub>e

The launch of our clothing brand IQONIQ in 2023 marked a major milestone for the company. In 2024, the brand experienced strong growth, selling four times more than the previous year. Although higher sales led to an increase in the total footprint, changes to the products' material composition — including the use of even more recycled content — resulted in a **10.5% reduction in CO<sub>2</sub> per item**, adjusted per sales volume, compared to the previous year. This corresponds to the avoidance of 1,869 tons of CO<sub>2</sub> — equal to 29% of the emissions in the benchmark scenario.

## Science Based Targets

In September 2023, we submitted our goals to Science Based Target initiative (SBTi) and in 2024 they were reviewed and validated. SBTi has classified XD Connects scope 1 and 2 target ambition in line with a 1,5°C trajectory. XD Connects also received a validation on scope 3 near-term targets.

### Near-term Science-Based targets

# -42%

by 2030

XD Connects commits to reduce absolute scope 1 and 2 GHG emissions **42%** by 2030 from a 2022 base year.

# -51.6%

per EUR value

XD Connects also commits to reduce scope 3 GHG emissions from purchased goods and services **51.6%** per EUR value added within the same timeframe.

In addition to near-term targets, XD Connects has also set long-term and Net-Zero targets.

### Long-term and Net-Zero targets

**Overall Net-Zero Target:** XD Connects commits to reach **net-zero** greenhouse gas emissions across the value chain by 2050.

# -90%

by 2050

**Long-Term Targets:** XD Connects commits to reduce absolute scope 1 and 2 GHG emissions **90%** by 2050 from a 2022 base year. XD Connects also commits to reduce absolute scope 3 GHG emissions **90%** within the same timeframe.

2024 represents our first year to report on SBTi target progress. To comply with the reporting requirements, XD Connects has created a separate SBTi Progress Report, available in the [ESG Document Library](#) on our website.



**“The validation of our near- and long-term environmental goals by the Science Based Targets initiative (SBTi) marks an important point in our ongoing journey toward measurable, impactful change. Setting targets is one thing, but making sure they stand up to external scrutiny and truly contribute to global climate goals is another”**

— **Albert van der Veen**  
(CEO at XD Connects)



## Offsetting emissions

As part of our ESG Roadmap, we actively work to offset a portion of our CO<sub>2</sub> footprint. While our primary focus is on reducing emissions, CO<sub>2</sub> offsetting serves as an important complementary measure to help us meet our future targets. Our line of action aligns with the Oxford Offsetting Principles:



Cut emissions as a priority, ensure environmental integrity of credits, regularly revise best practices;



Transition to carbon removal offsetting for residual emissions (away from emissions avoidance) by the global net-zero target date;



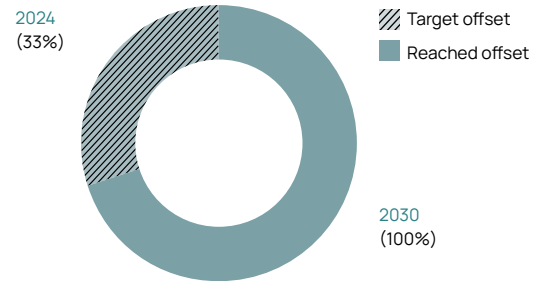
Shift to removals with durable storage and low risk of reversal; and



Support development of innovative and integrated approaches to achieving net zero.

In line with our commitment to increase our emissions offsetting by 11% each year, we successfully offset 33% of our emissions in 2024, totalling 13,786 tCO<sub>2</sub>e.

Of this, 13,660 tCO<sub>2</sub>e were offset directly by XD Connects, and 126 tCO<sub>2</sub>e were offset by our customers through their orders (more details on this are provided in the following pages). Our goal is to offset 100% of our emissions by 2030.



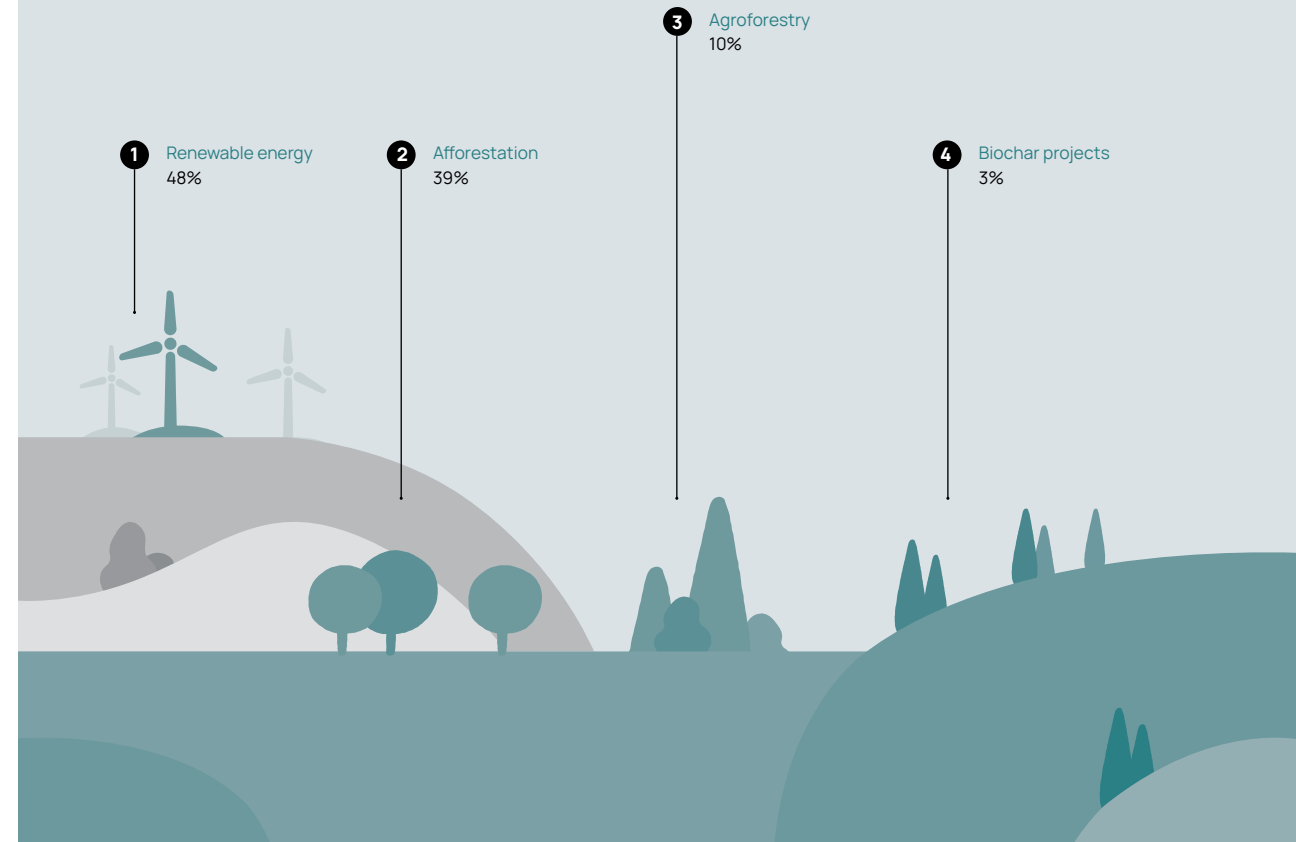
Following the Oxford Principles, we are shifting from avoidance-based offsets to incorporating more long-term removal offsets. In 2024, we supported the following projects:

- 48%, Small Scale Wind India (Renewable wind energy: avoidance without storage)
- 39%, ARR Caazapa and Guaira (Afforestation: removal with short lived storage)
- 10%, Agroforestry India (Agroforestry: removal with short lived storage)
- 3%, Biochar mix (Tech removals: removal with long-lived storage)

In our 2023 report, we did not include details on the offsetting projects we supported for that year's emissions, as the decision had not been finalised at the time of writing. We now provide that information here.

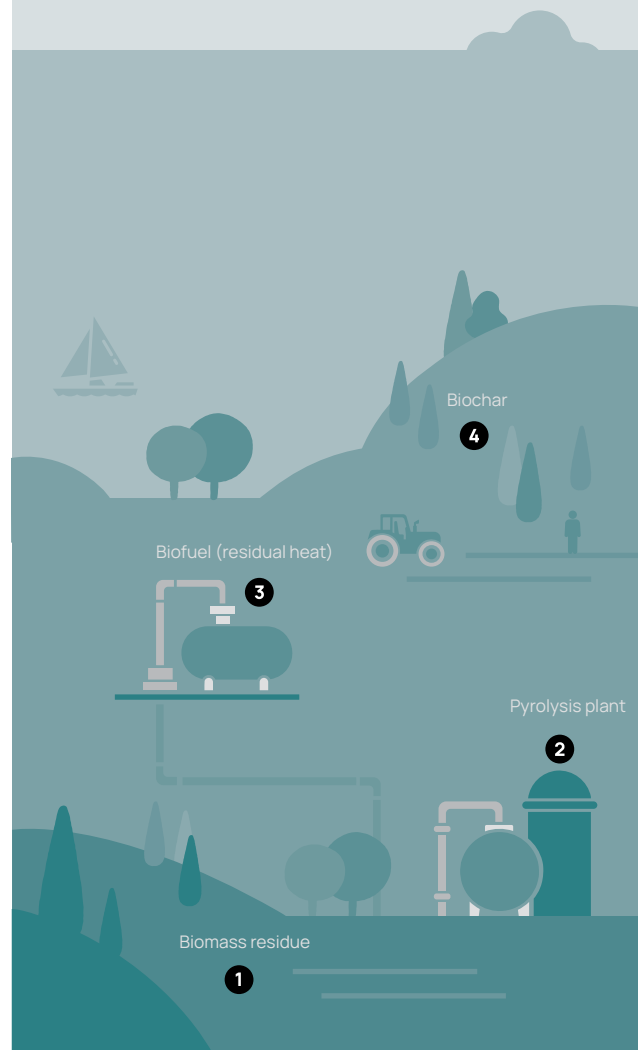
Our offset purchases were distributed as follows: 50% in renewable wind energy, 37% in afforestation, 11% in mangrove restoration, and 2% in Biochar projects. These projects were located in India, China, Pakistan, and Bolivia.

When selecting offsetting projects, we consider both location—prioritising those located in one of the countries where our items are produced—and overall impact, particularly high-impact initiatives such as mangrove restoration. Over time, we aim to increase our investment in innovative technology-based carbon removals.



### Innovative CO<sub>2</sub> capture techniques: Biochar Mix

Biochar is one of the projects for which we purchase carbon credits, in support of development of innovative CO<sub>2</sub> capture techniques. Because Bio-char is a relatively new technique and therefore has a high price per Carbon Credit, we are only able to purchase a small number of credits but it allows us to make steps in the right direction.



**Objective:** Implementing a biomass-fired co-generation boiler that runs 24/7 and generates electricity, with biochar as a valuable by-product.

The project's process begins by collecting biomass residues for the pyrolysis plant. During pyrolysis at 600 degrees Celsius, carbon is captured, creating biochar.

Biochar can be made from different types of biomass. Depending on the specific biomass, the carbon levels in biochar usually range from 50% to 80%.

In addition to carbon sequestration, biochar also enhances soil fertility and efficiency. The soil can retain water better due to its porous structure and can hold nutrients more effectively, resulting in higher yields for farmers.

**Biochar is an extremely carbon-rich, charcoal-like material intended for environmentally beneficial application in soil.**

- Once incorporated into the soil, it becomes recalcitrant, or resistant to decomposition.
- This recalcitrant property is exactly what makes biochar long-term storage for carbon dioxide, as carbon is permanently stored in the soil.

↑ Source: Anthesis ([www.anthesisgroup.com](http://www.anthesisgroup.com)), our offsetting partner

## Environmental Management System (ISO 14001)

As part of our environmental strategy, XD Connects attained ISO 14001 certification in 2024. This internationally recognised standard for Environmental Management Systems ensures that organisations systematically identify, manage, and reduce their environmental impact. The certification complements the ISO 14001 accreditation already held by Vinga and Printmasters, strengthening our group-wide approach to managing environmental risks and opportunities.

Achieving ISO 14001 required setting new environmental targets and action plans that align with our broader sustainability and carbon emission commitments. A key part of this process involved mapping our environmental aspects and integrating them into our existing risk management framework and double materiality assessment.

To support our carbon emission goals, we have developed action plans for Scopes 1, 2, and 3. These refer to projects or actions that address either our direct emissions, or indirect emissions such as business travels and other topics on which our office in the Netherlands has a direct impact.

Examples include transitioning company vehicles to electric alternatives, reducing plastic packaging, and implementing a sustainable business travel policy. By integrating ISO 14001 principles into our operations, we have established a framework for continuous improvement across all areas of environmental management.

### Supplier environmental efforts

Towards the end of 2023, XD Connects began collecting more detailed information on the environmental performance of our direct suppliers\* by inviting them to participate in the Amfori BEPI (Business Environmental Performance Initiative). In 2024, we expanded this initiative, and by the end of the year, 34% of our direct suppliers—who produce 49% of our product collection—had joined the initiative.

BEPI provides a comprehensive environmental risk analysis across eight key performance areas, including emissions, waste, and biodiversity, among others. This helps us to assess our suppliers' current environmental impact and identify areas where we can offer support. The assessment is completed annually by suppliers to ensure the data remains current.

This initiative also supports our Scope 3 goals by identifying opportunities to reduce emissions across our supply chain. By assessing suppliers' impacts, we gain valuable data on factors such as renewable energy use, overall energy consumption, water management, and waste reduction efforts. As a result, we have learned that two of our suppliers use renewable energy, and half of those who completed the assessment are ISO 14001 certified. The assessments also highlighted some potential risks, which we have brought to the attention of the relevant suppliers for follow-up action.

Looking ahead, we aim to broaden this assessment to include more suppliers and actively collaborate with them to improve their environmental performance. The insights gathered will also inform our procurement decisions. It will also be a priority to start verifying claims from suppliers and to narrow down general supplier-level data to more accurately reflect the portion linked to the production of our items.

**By integrating ISO 14001 principles into our operations, we have established a framework for continuous improvement across all areas of environmental management.**



## Highlights of 2024

### Option for customers to offset emissions

For XD Connects, reducing CO<sub>2</sub> emissions remains the primary focus. However, we also recognise the need to take responsibility for the impact of every order. We do this via our own offsetting trajectory towards 2030, but also encourage customers to join us in the effort.

In September 2024, we started offering customers the option to offset the emissions related to their order during the online checkout process by purchasing Carbon Credits through XD Connects. This offset covers the CO<sub>2</sub> volume calculated through our Life Cycle Assessment (LCA), with a detailed explanation of the LCA methodology available on our website.

**For XD Connects, reducing CO<sub>2</sub> emissions remains the primary focus.**

Through this initiative, customers can support a verified offsetting project selected by XD Connects, which help avoid, reduce, or remove emissions. This project have certified carbon absorption calculations, which are translated into carbon credits. We offer a [page](#) on our website explaining Carbon Credits and the supported project.

Between September and December 2024, 360 customers offset 126 tons of CO<sub>2</sub>. This was a great start to the initiative, and we expect this total to grow quickly in the coming years. As part of the company offsetting efforts towards 2030, we consider customers offsets as part of our total offsets - as we are on this journey together!

### CO<sub>2</sub> footprint for decorations

For several years, XD Connects has calculated and shared the CO<sub>2</sub> footprint per product, continuously improving data quality and consistency. In 2024, we determined that to make the footprint more complete,

the CO<sub>2</sub> impact of decorations should also be included alongside the product footprint.

In collaboration with EcoAct, a company specialised in this area, XD Connects developed a tool to calculate the CO<sub>2</sub> impact of the decorations applied to our products. This was a novel exercise as no calculation tool was found to exist that was able to perform such a calculation specifically for our purpose in the Promotional and Gift Industry. We view this initiative as contributing to SDG 9, with a strong emphasis on innovation (See [Annex 3](#)).

The decoration tool follows the ISO 14067 methodology for calculating CO<sub>2</sub> footprints, considering various inputs (materials, energy) and outputs (waste) in the process. This tool enables both XD Connects and our customers to obtain a more comprehensive CO<sub>2</sub> impact assessment for product footprint reporting. In our "Looking Ahead" section at the end of this report, we will share more about how we plan to incorporate this in 2025.

## Between September and December 2024

  
**360**  
customers

offset

  
**126**  
tons of CO<sub>2</sub>

## ESG in product development

As outlined in the emissions section, Scope 3 emissions—those generated across our value chain but not directly controlled by XD Connects—continue to account for the largest share of our overall emissions. One way we can influence these emissions is through product design, particularly by selecting materials with a lower environmental impact.

Since 2021, we have focused on designing **lower-impact products**, defined as products that have a reduced impact on the environment as a result of the use of responsibly sourced or recycled materials that meet traceability requirements. In 2024, we continued these efforts, making meaningful improvements to the environmental footprint of our collection.

One key improvement has been the increased use of recycled metals, including zinc, brass, aluminium, and stainless steel. Recycled zinc is primarily used in our new keychain collection, recycled aluminium features in selected cookware items, while recycled brass has been introduced into our metal pen collection.

Although we were already using recycled stainless steel, in 2024, we replaced conventional stainless steel in older drinkware models with recycled stainless steel and expanded its use to other product categories, such as writing instruments (e.g., pens) and home and living products (e.g., wine and bar buckets).

ESG considerations have also played a greater role in determining which products remain in our collection. In 2024, we discontinued several items with a high environmental impact, including the Ukiyo cast iron pans. Despite their strong performance, they were removed in favour of Vinga pans, which have a lower CO<sub>2</sub> footprint.

### Legislation supporting ESG

Several recent directives support responsible production. In 2024, we have fully implemented the USB Type-C Directive (EU) 2022/2380 across all applicable products. As a result, every item within the scope of the directive now features a USB Type-C charging port and, in some cases, no charger, helping to reduce e-waste.

We have also taken steps to align with the EU Deforestation Regulation (EUDR), which ensures that wood and paper products entering the EU market are free from deforestation and forest degradation. In preparation for this directive, we updated our Deforestation Due Diligence Sheet in 2024 to reflect the latest EUDR amendments, enabling us to verify that all wood-based products in our portfolio are responsibly sourced. Additionally, we now require suppliers to provide full documentation, including felling permits, business licenses, certificates, invoices, geolocation data of harvested wood, HS codes and wood species information, and evidence of forest audits verifying responsible logging practices.

We also ensure that suppliers comply with local laws and respect human rights, including those of indigenous communities. Although the regulation's enforcement was postponed by one year, taking effect on 30 December 2025, XD Connects is already compliant.



**“We put a lot of love (and countless rounds of tinkering) into every design—carefully selecting the best materials for each item. We’re always pushing ourselves and our suppliers to find new ways to improve our products and to achieve our goal: creating memories for generations to come.”**

— Malin Svensson  
(Product Manager at Vinga)



**Key certification and technologies we rely on:****GRS (Global Recycle Standard)**

Verifies that recycled materials are tracked throughout the supply chain and that certified organizations meet environmental, social, and chemical standards.

**RCS (Recycled Claim Standard)**

Ensures recycled materials are tracked across the supply chain. RCS 100 certified products contain at least 95% recycled content, while this percentage is 5-94% in RCS Blended products.

**Aware™**

Uses a physical tracer embedded in recycled material for supply chain traceability. A scanner verifies its presence, while block chain technology ensures transparency.

**FSC (Forest Stewardship Council®)**

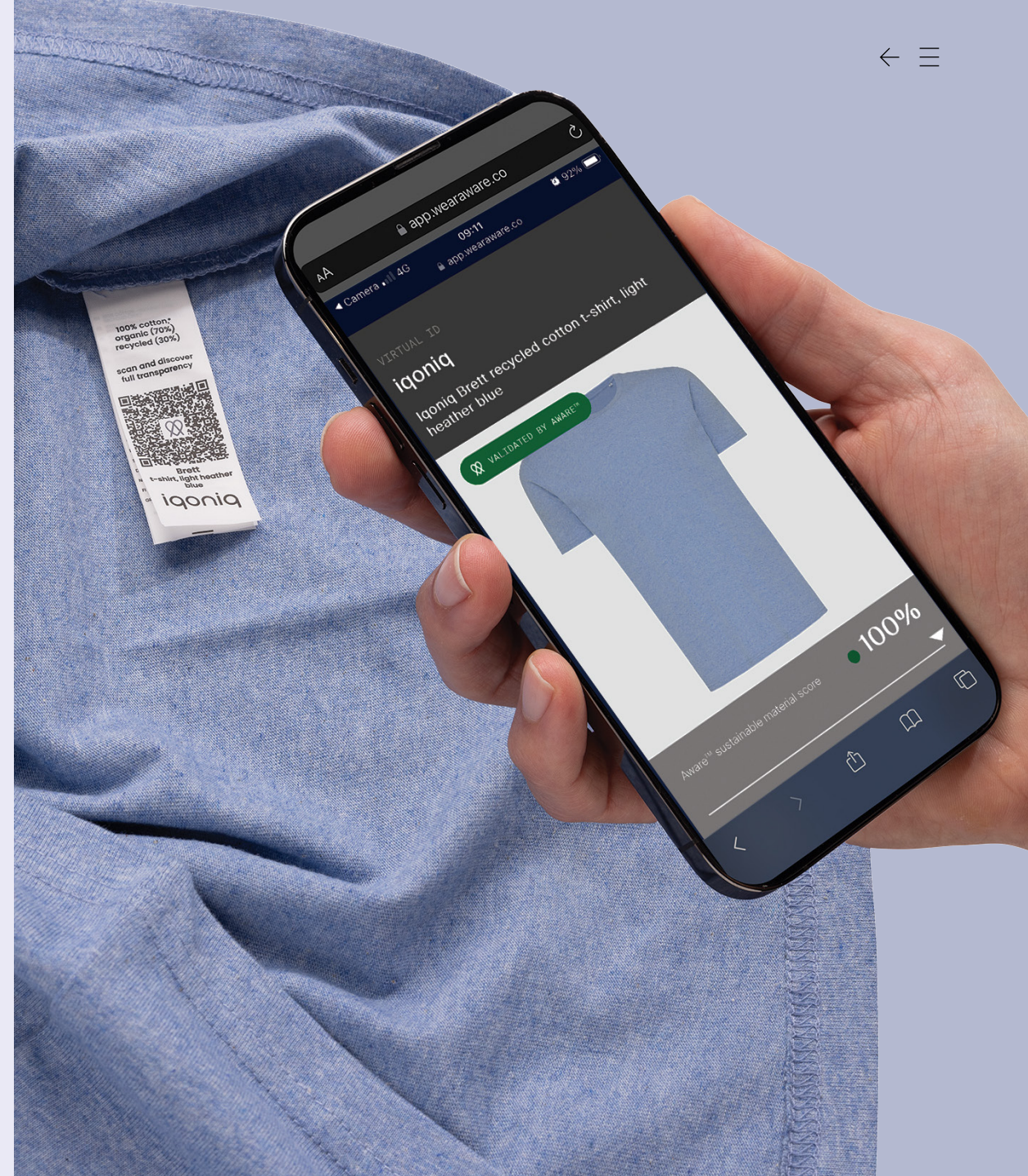
Promotes responsible forestry by ensuring forest-based products come from sustainably managed forests that protect biodiversity, support communities and workers, and maintain economic viability.

**OEKO-TEX® STANDARD**

Ensures all product components are tested for harmful substances, exceeding legal standards. At XD Connects, this applies to our Iqoniq products and Printmasters' inks.

**OCS**

Verifies the chain of custody for organic materials from certified farms to the final product. All the organic cotton we use in our Iqoniq items is OCS certified.





## Product highlights

In 2024, we added 246 product models – 545 items (SKUs) – to our collection. Of these items, 93% were lower-impact, making 86% of our collection lower-impact.

In this section, we highlight some of our newly introduced product ranges which contribute to our ESG goals in various ways, as well as to our efforts to support SDG 9 and 12 (see [Annex 3](#)).

**In 2024, we added 246 product models – 545 items (SKUs) – to our collection. Of these items, 93% were lower- impact**



### Repairable earbuds and headphones

A key highlight of 2024 was the introduction of the Lakewood earbuds and Irvine headphones, both designed to have a longer product life and reduce (electronic) waste. In line with circular economy principles, these products allow for easy replacement of key components, including the battery, ear pads, and headband, so that customers can replace only the necessary parts rather than the entire product. These products also incorporate recycled polycarbonate plastic—36% in the earbuds and 32% in the headphones—with RCS certification ensuring a verified and traceable supply chain for the recycled content. Additionally, both products are PVC-free and packaged with minimal plastic



### Vinga gift cards

Our gift cards represent a more responsible way of choosing gifts. By allowing recipients to choose their own gifts from a selection of products, we enhance the likelihood that they will receive items they truly appreciate and need, ultimately promoting longer use and reducing waste. Following the success of our 2023 pilot project, in 2024 we expanded the availability of our gift cards to five additional countries: Germany, Austria, Spain, Italy, and Denmark. Throughout the year and across all countries where gift cards are available, we sold 242.700 gift cards. Customers were also more likely to choose digital cards over printed ones, with 27% opting for digital in 2024—a 60% increase from the previous year—further reducing waste. Given the success of the gift card initiative, we are looking to expand their availability to more countries in 2025.



### Recycled keychains

In 2024, we introduced keychains made from recycled materials to our tools & torches category. These are made with recycled zinc alloy, aluminium, ABS, and polyurethane, helping to reduce the CO<sub>2</sub> impact of this category within our collection. The lower impact can be seen in the LCA calculations and benchmark displayed on the product pages of our website. The recycled content ranges from 15% to 86%, with RCS certification ensuring a fully certified supply chain for the recycled materials. Additionally, these products are packaged in paper instead of polybags.

## IQONIQ

With IQONIQ, our XD apparel brand, we are leading the change in the textile market, with low impact and innovation at the core of our approach. The first collection was launched at the beginning of 2023 and experienced exponential growth in 2024, reflecting strong interest in this product category among our clients.

The entire IQONIQ collection is made with recycled materials. We believe that choosing recycled materials, such as recycled cotton and polyester, is not just an option—it's the only choice if we are serious about transforming the textile industry and reducing its impact on the planet.

In addition to our collection of 50% recycled/50% organic cotton and our 100% recycled polyester range—both of which expanded with new styles and colours in 2024—we introduced a lightweight line in recycled cotton. Due to the finer yarn required for this fabric, maintaining a 50/50 blend was not feasible. Instead, we opted for a composition of 70% organic and 30% recycled cotton, in line with our commitment to reducing the impact to a minimum. We use organic cotton to support and strengthen recycled cotton while also reducing environmental impact compared to conventional cotton, thanks to stricter regulations on chemical use. OCS certification further ensures full traceability to the source material.

Throughout the year, we have also expanded our collection with a dedicated gender-neutral kids' line (ages 3-14), introducing the Yengo hoodie and Koli t-shirts, both made from 30% recycled and 70% organic cotton.

### All new items align with the brand's core values:

- Each design is made using mono-materials to enhance recyclability.
- All items are tested for harmful chemicals according to OEKO-TEX® STANDARD 100
- Organic cotton is certified according to OCS standard (Organic Content Standard)
- Full traceability of recycled materials is guaranteed through Aware™ technology
- Each item has a Digital Product Passport
- Environmental footprint (CO<sub>2</sub>, land, and water) is shared to encourage informed choices
- All products are manufactured in a facility with a valid social audit
- 2% of proceeds are donated to Water.org



## WEAR CHANGE



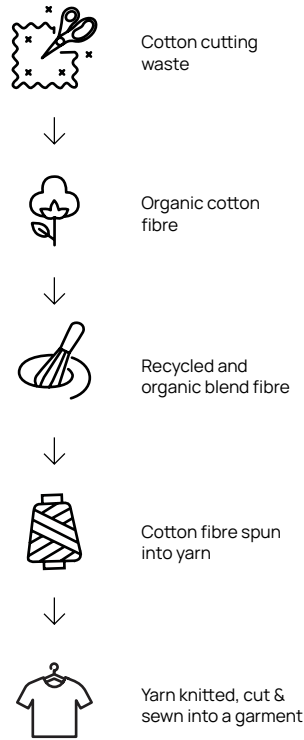
How recycled cotton is made →

Tracing our recycled textile materials: From Waste to Wear

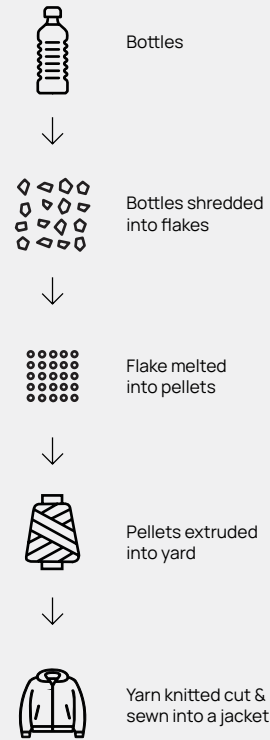
Innovation has been at the heart of our journey from day one. We are redefining durable garments, using recycled and organic mono-materials to set new industry standards for sustainability, quality, and style.

Our product development team regularly visits suppliers across all tiers of the supply chain—tracing our materials from their origins, such as discarded cotton clips and used PET bottles, to the yarn producers and garment manufacturers. These visits strengthen our relationships with suppliers, ensure the desired quality, and serve as an opportunity to explore innovative improvements and new developments in our products.

**Recycled Cotton - Produced in Bangladesh**  
Recycled cotton helps reduce the strain on agricultural land, water resources, and textile waste. While its use is still emerging in the industry, we are proud to be at the forefront of its adoption. Our team continuously explores, experiments, and refines blends to enhance its versatility and expand its applications.



**Recycled polyester - Produced in China**  
We aim to reduce reliance on virgin resources by promoting the reuse of post-consumer materials that would otherwise go to waste. By giving a second life to discarded PET bottles, we contribute to a more circular economy, where waste is transformed into valuable resources rather than ending up in landfills or the environment.



“It’s always impressive to see with our own eyes how mountains of discarded plastic bottles are transformed into high-quality yarns.”

— Tereza Ungerman (Product Director Apparel at XD Connects) and Marieke Kramer (Product Manager at XD Connects)



## Exploring ways to reduce the impact of electronics

Products containing electronics and batteries have a high environmental impact, with our LCA showing that batteries contribute significantly (around 20-25%) to their overall footprint. At XD Connects, in 2024, we have started exploring the use of recycled lithium-ion (Li-ion) batteries to reduce the environmental impact of those products that include a battery, and decrease reliance on newly mined materials.

### The initial phase focused on:



#### Environmental assessment

Using recycled materials instead of newly mined ones can significantly lower carbon emissions and energy consumption while extending the life cycle of valuable resources and reducing electronic waste.



#### Regulatory Compliance

We are reviewing international and local regulations on battery recycling to ensure our approach meets legal and environmental standards. This includes compliance with waste management laws and industry-specific guidelines.



#### Availability of Recycled Batteries

We are analysing global markets to assess the supply of recycled batteries, focusing on both the quantity and quality of reusable lithium-ion battery components.



#### Challenges and Risks

Sourcing recycled batteries comes with challenges such as supply chain limitations, quality inconsistencies, and technical hurdles in the recycling process. We are identifying strategies to address these risks.

### Looking Ahead

Based on our findings, we will explore pilot projects and optimise our supply chain to safely integrate recycled batteries into our products.

**“We’re not just adapting to the future - we’re designing it. At XD Connects, we’re exploring new ways to raise the bar in lower-impact electronics.”**

— Kevin Zomerdijk  
(Product Director at XD Connects)

External Brands

In 2024, we welcomed five new brands to our collection—Boska, Black+Blum, Bellroy, Skross, and Topl—each carefully selected for their alignment with our strategy of innovation, responsibility, and long-term impact.



Boska, a B-Corp with over 125 years of craftsmanship, creates high-quality food tools designed to last—with selected products eligible for a lifetime guarantee.



Bellroy, another B-Corp, offers premium bags and accessories that combine style with long-lasting functionality.



Skross provides high-quality travel adapters for global use, reducing the need for multiple chargers.

With these additions, we aim to offer our clients more options while ensuring that every brand we collaborate with reflects our values.



Black+Blum specializes in durable drinkware and food containers, prioritizing reusability and offering replaceable parts to extend product life.



Topl's reusable cups, made with recycled materials such as plastic and stainless steel, are designed to make it easy to recycle them at the end of life.



**1% for the planet**  
Black+Blum donates 1% of their total sales to charities focused on fighting food waste by rescuing surplus food that would otherwise end up in landfills. This initiative helps provide meals to those in need while also reducing the greenhouse gases that would be generated by wasted food.

Thanks to our collaboration with Black+Blum, we are proud to support this important cause and contribute to the fight against food waste and its environmental impact.

## Digital Product Passport (DPP) – Further developments

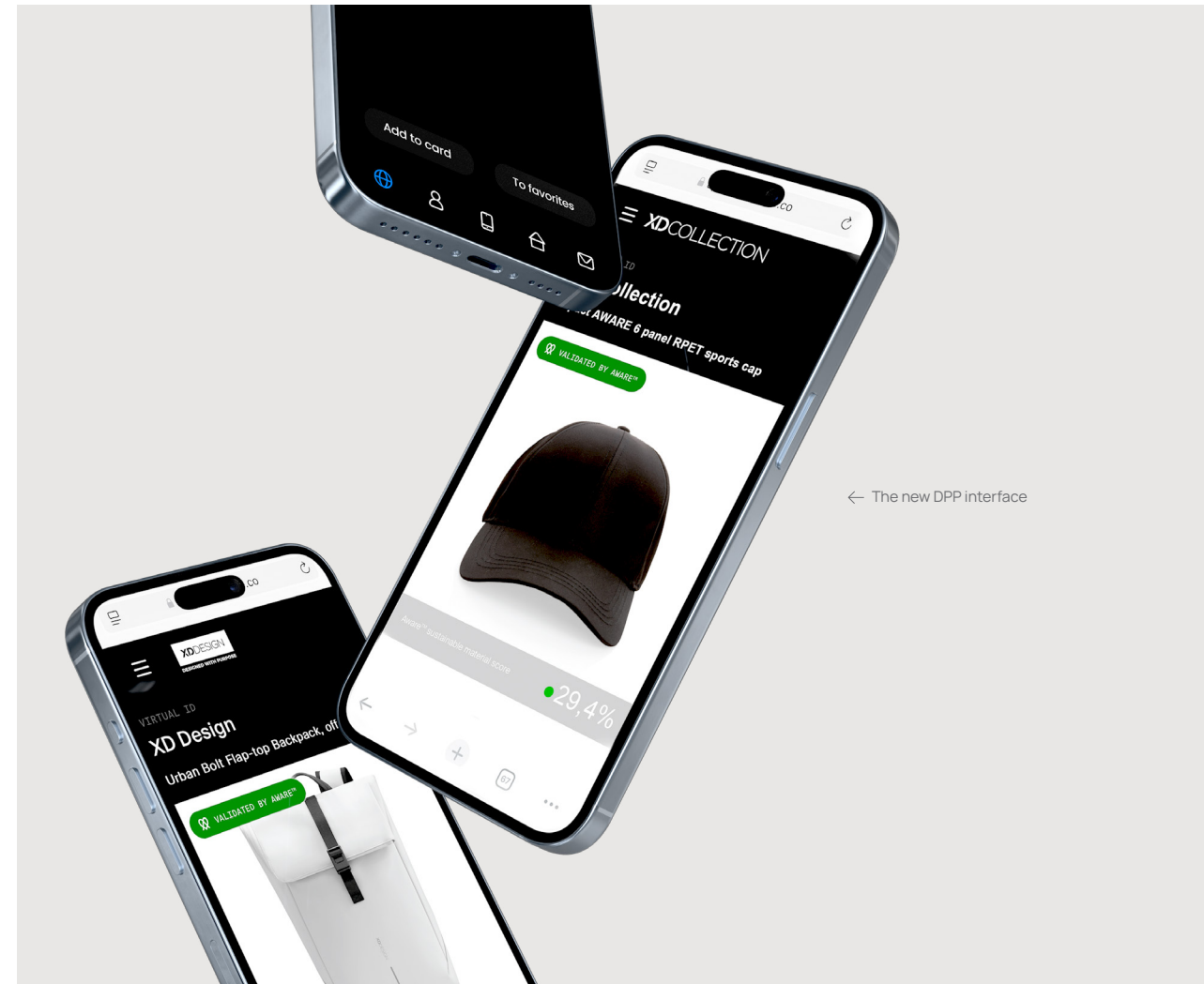
Transparency is a key driver of more responsible choices, both for consumers and businesses. The Digital Product Passport (DPP), introduced for our Iqoniq apparel collection in 2023, plays a crucial role in providing detailed, verifiable information about each product, securely stored using block chain technology for traceability.

Throughout 2024, we collaborated closely not only with our suppliers but also with The Movement, the company behind Aware™ technology, to enhance the DPP—making it more user-friendly and informative. The updated version, launched in November 2024, introduces several new features to improve transparency and usability:

- A redesigned interface for easier navigation.
- A “sustainable material” score, providing a clear percentage of material that has the Aware™ tracer (recycled content) and organic material. If trims such as zippers are made from recycled materials, this is also included in the score.

- A full product journey, outlining the suppliers involved in production and the certifications they hold.
- Impact data on CO<sub>2</sub>, water, and land use, offering more insight into the environmental footprint of each product.
- Care information, to encourage proper upkeep and extend product lifespan.
- The ability to download the DPP as a PDF for future reference.
- A feedback function, allowing users to share insights and suggestions.

These improvements mark another step in our commitment to enhancing transparency and equipping users with the information they need to make informed decisions. As we continue collaborating with Aware™, we remain focused on improving the DPP and set a new standard for accountability in the industry.



← The new DPP interface



Product Packaging

Packaging is a controversial topic, often associated with waste and single-use plastics. However, it is essential for protecting product quality and ensuring safe delivery. At XD Connects, our approach to packaging is integrated into the product development phase, where we apply the same ESG principles that guide the products themselves. Each product undergoes a Life Cycle Assessment (LCA) to evaluate its environmental impact, from raw materials to disposal, with packaging playing an important role in this analysis.

Our packaging policy focuses on choosing the most suitable option for each product, recognising that different items require different packaging solutions. We prioritise right-sized packaging to ensure a close fit with the product. This approach minimises waste, reduces excess weight, and optimizes space during shipping, which in turn helps lower emissions associated with transportation.



Key elements of our packaging approach include:

- **Transition to Mono-materials:** We prioritise mono-material solutions, which are more easily recyclable. Our main focus is on paper-based materials.
- **Minimized Waste:** We ensure that only the necessary amount of packaging and minimum number of packaging components is used.
- **Responsible Sourcing:** Whenever possible, we use certified materials, such as FSC-certified paper.

In line with this approach, all notebook packaging in 2024 was switched from plastic polybags to FSC®-certified Kraft sleeves, following a successful pilot project in 2023.

Our commitment to responsible packaging is reflected in:

- **Ongoing Development:** We are continuously refining our packaging to reduce material usage and improve recyclability.
- **Clear Information:** We provide transparent details on the materials used and disposal methods for all our packaging. Each package includes up-to-date compliance markings and safety warnings, ensuring full regulatory compliance and helping customers make informed disposal choices. Some of the most commonly used logos on our packaging can be found on the right.



Icons on packaging

Packaging is also a medium for communicating with the end user on topics such as proper disposal, product safety, and material certifications. Below are some of the most commonly used icons on our packaging.



Triman logo + sorting info

The Triman logo, signals to consumers that the product or packaging should be recycled. The logo is accompanied by a sorting guide to help consumers dispose of the waste in the correct recycling container.



Green Dot

The Green Dot is an internationally recognised symbol that indicates a financial contribution has been made to a certified national packaging recovery organization, supporting the collection and recycling of used packaging.



Möbius loop

The Möbius loop symbolizes that an item is recyclable. When accompanied by a percentage, it indicates the amount of recycled material used in the product.



Food Safe

The Food Safe symbol guarantees that packaging is safe for food contact, ensuring that food stored in the packaging will not pose any health risks to the consumer.

In 2024, there were no incidents of non-compliance concerning product and service information and labelling.

# Water

## Water in products

We recognise water stewardship as a critical global issue and a key impact area within our supply chain. Among our product categories, apparel has the highest water footprint due to the cultivation of raw materials like cotton and the water-intensive dyeing process. That is why, unlike other products, we include water use data in the LCA for our apparel brand, Iqoniq.

By using recycled materials and including undyed items in our collection, we are able to offer products with a lower water footprint. In 2024, this contributed to avoiding the use of 361,850 m<sup>3</sup> of water, compared to a scenario in which only conventional materials and standard dyeing methods were used. This figure is based on the number of Iqoniq items sold during the year.

## Water use in our operations

When it comes to our own operations, we monitor water use across all our locations; however, our decorating facility, Printmasters, remains the most critical in terms of water management. In 2024, we were able to successfully maintain a 96.5% reduction<sup>1</sup> in water used for decorations (technological water) compared to our base year (2021).

This was mainly due to long-term water-saving initiatives initiated in 2023, such as the decision to have the screens used for the screen-print technique picked up by a third party for recycling, rather than washing them, as well as the introduction of the less water-intensive digital transfer technique. In addition, an advanced water treatment and recirculation system and innovations in monitoring and process optimisation further minimised usage. As recognition of this achievement, in 2024 we received a prestigious environmental award for excellence in water consumption, demonstrating the maturity of our four-year project. Further information about this and other awards received in 2024 can be found on [page 41](#).

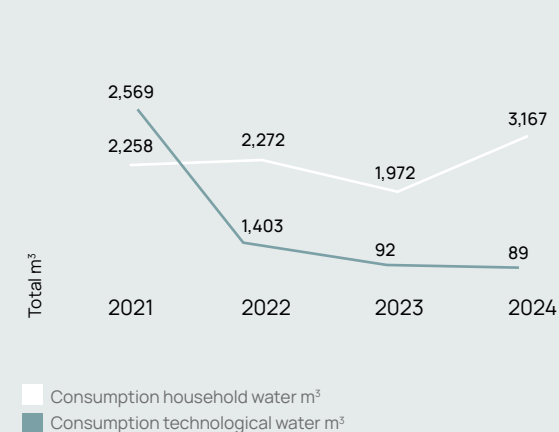
For the figure related to water consumption across all our entities, see the KPI table on [page 56](#).

**361,850 m<sup>3</sup> of water use avoided in 2024 by incorporating recycled materials and undyed items in our Iqoniq collection.**

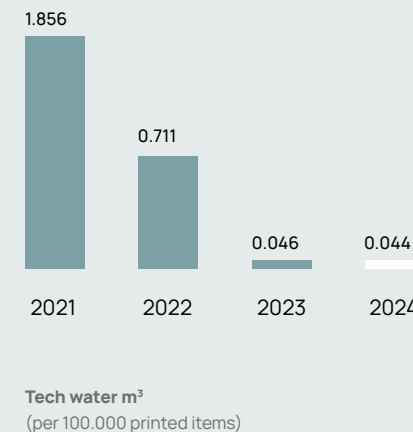
<sup>1</sup> Note that in our 2023 Annual Impact Report, we claimed a 99% reduction in water use compared to 2021. This percentage turned out to be inaccurate as a faulty calculation method was used. The correct figure is 96.5%.

As shown in the graph below, household water consumption increased in 2024. This is due to the significant expansion of the building and of the growing number of employees.

## Water use at Printmasters



## Water intensity metric for decorations



**Water.org**

As part of our commitment to responsible water management, we also engage in external initiatives. We collaborate with Water.org, a global non-profit dedicated to expanding access to safe water and sanitation. Through this partnership, we donate 2% of proceeds from a substantial number of items in our collection, covering all products with Aware™ traceability and all drinkware from our brand Avira.

Access to clean water is essential for public health, particularly for children, and has a profound impact on gender equality. In many communities, women and girls are primarily responsible for collecting water, often walking long distances—time that could instead be spent on education or income-generating activities.

According to Water.org, thanks to our 2024 donation, we have helped 61,140 people in need gain lasting access to safe water or improved sanitation. A partnership statement from Water.org can be found in the [ESG Document Library](#) on our website.

To learn more about their work, visit [Water.org](https://water.org).

Environmental | Water



**1 in 4 people lack access to safe water, and 2 in 5 people lack access to a safe toilet. We work every day to change this.**

"We empower people living in poverty with access to small, affordable loans for safe water and sanitation solutions at home — unlocking education, economic opportunity, and improved health."

Water.org is a global nonprofit organization that has transformed more than 63 million lives around the world with lasting access to safe water or sanitation — in partnership with people like you."



**9.7 million+**

9,729,893 lives changed across four continents



**\$914 million**

\$914,430,943 in small loans disbursed by Water.org's partners for water or sanitation



**2.2 million**

2,229,810 million water and sanitation loans disbursed by Water.org's local partners

\*Based on figure from 2023. Source: Water.org



# Waste

### Waste related to products

At XD Connects, we take responsibility for the waste generated by our products and packaging, in accordance with the EU legislation on Extended Producer Responsibility (EPR). As part of this commitment, in 2024 we continued to contribute financially to recycling schemes for electronic items, textiles, batteries, and packaging across many of the markets where we operate. Our supply chain waste policy covers both mandatory and voluntary contributions (on behalf of our customers), and guides our participation in EPR schemes across different markets. Under these schemes, we declare the relevant quantity and weight of products sold and pay corresponding fees. These fees support national waste management and recycling programs, ensuring compliance with national legislation and EU EPR directives.

Since launching our Iqoniq apparel collection, we have joined dedicated EPR schemes for textiles that facilitate the collection, reuse, and recycling of discarded textiles while also encouraging consumers to return used items to designated collection points.

To enhance transparency and support our customers in meeting their own environmental obligations, we share relevant data and provide EPR registration numbers and certificates upon request. We continuously review our regulatory responsibilities and integrate new schemes

as they arise, such as expanding our reporting scope to include packaging in Denmark from 2024.

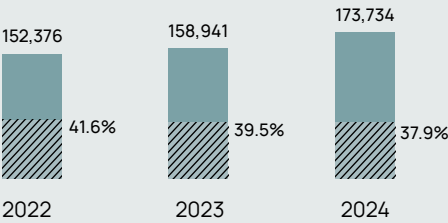
Participation in these schemes also has a positive impact on CO<sub>2</sub> emissions reduction. For instance, in Germany, BellandVision confirmed that our packaging recycling saved 36 tons of CO<sub>2</sub> in 2024.

### Waste in our operations

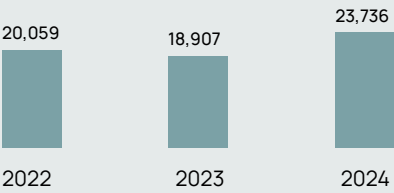
In our own operations, we monitor waste management across all locations; however, the location where it is most relevant is our decorating facility, Printmasters. Throughout 2024, we continued using a smart scale registration system to track waste at Printmasters, with the main goal of optimising the recycling of various waste materials. This system records daily waste production by type and department, with data displayed in a dashboard to analyse trends and identify reduction opportunities. In 2024, all recyclable materials—paper, cardboard, plastic, wood, and metal—accounting for 37.9% of Printmasters' total waste (excluding batteries and electronics), were successfully recycled.

Waste classified as 'dangerous goods' by the EU was also a focus area at Printmasters. In 2024, to further reduce the use of these goods and minimise associated waste risks, we expanded previous initiatives such as:

### Waste at Printmasters

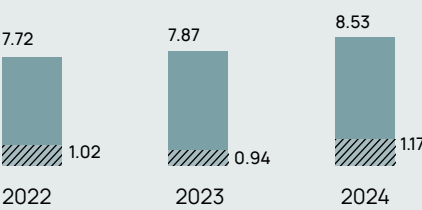


Total waste  
■ Total waste (kg) ■ Recycled waste (%)



Dangerous goods waste  
■ Dangerous goods waste (kg)

### Waste intensity metric at Printmasters



Total waste  
■ Waste (in kg) per 1.000 printed item  
■ Dangerous waste (in kg) per 1.000 printed item

- The extended use of 'eco-cups' in pad printing machines to reduce hazardous waste and limit employee exposure to chemicals.
- The increase in plasma pre-treatment capacity in digital round printing to reduce primer consumption, with plans to implement this solution in other departments in 2025.

Despite our initiatives, in 2024, both total waste and dangerous goods waste increased compared to 2023. Similar to water use, this overall increase was largely due to a significant growth in activities and a larger number of employees. The rise in dangerous goods waste, in particular, resulted from a 16% increase in orders requiring inks and auxiliaries, as well as handing over some unused or expired chemicals to proper partners for disposal. These factors also directly influenced the lower percentage of recycled waste compared to previous years. In 2024, to further advance our waste management efforts, we initiated discussions with the Zero Waste International Alliance (ZWIA) to explore zero-waste implementation in our decorating facility. Additionally, our 2023 pilot project for composting office food waste at Printmasters proved successful in 2024, and a proposal to continue this initiative in 2025 is under review.

For the figures related to waste across all our entities, see the KPI table on [page 56](#).

# Social

- 35 Conditions in the supply chain
- 38 External stakeholders
- 42 Employees





# Social

Our activities impact a wide range of stakeholders, including those who produce our items, our employees, clients, and end users. That is why this section of the report is broad, covering three main areas: conditions in the supply chain, external stakeholders and employees.

Total number of suppliers

132

Total number of direct suppliers<sup>2</sup>

106

Direct suppliers with a valid social audit

86.8%

Top 25% direct suppliers (based on order value) with a valid social audit

100%

➤ GRI 414-1

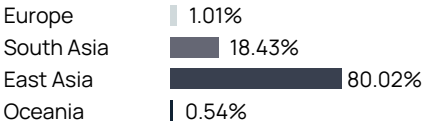
<sup>2</sup> Direct suppliers which are manufacturers. Excluding traders and external brands.

## Conditions in the supply chain

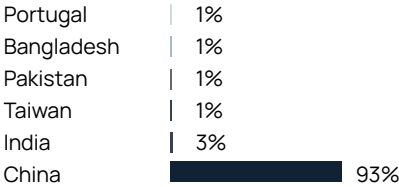
XD Connects sources products from a range of suppliers, either through traders or direct partnerships with manufacturers (direct suppliers).

The following paragraphs provide an overview of our supply chain in 2024, highlighting key developments and initiatives throughout the year. The figures presented on this page refer only to suppliers with a positive order value in 2024 and exclude manufacturers of items offered exclusively through the Vinga gift cards.\*

### Procurement geographic spread\*\*:



### Geographic spread direct suppliers:



➤ GRI 204-1

\*While a social audit is also requested for manufacturers producing items offered exclusively through the Vinga gift card (excluding external brands), they are not yet included in our KPIs.

\*\* Based on order value and including traders and external brands.



### Procurement and human rights

Working conditions in our supply chain are an integral part of our ESG roadmap, as we believe that fair labour practices throughout the whole supply chain cannot be detached from our own operations. By setting clear expectations and engaging with our suppliers, we aim to drive continuous improvements in social standards and actively support SDG 8 (see [annex 3](#)).

In 2024, we remained an active member of Amfori and continued to require our suppliers to adhere to the Amfori BSCI Code of Conduct by accepting our purchase agreement. The BSCI Code of Conduct is also embedded in our company's own Code of Conduct, reinforcing our commitment to ethical business practices and fair working conditions.

We continue to require that our suppliers hold a valid social audit. The vast majority of them are audited under the amfori BSCI framework, while a smaller number hold either a Sedex SMETA or SA8000 certification. In 2024, we saw a slight increase in the percentage of direct suppliers with a valid social audit, reaching 86.8% compared to 85% in 2023. Additionally, the percentage

of factories undergoing fully announced audits dropped significantly from 48% to 21.5%. This shift is largely due to Amfori's decision, effective September 1, 2024, to no longer accept requests for fully announced BSCI audits.

As a result, the majority (77.4%) of audits in our supply chain are now semi-announced, meaning that while suppliers are aware of the audit time window, they do not know the exact date of the inspection. This is a positive development, as it ensures a more accurate assessment of working conditions in factories.

To ensure we account for all factories producing our items when assessing working conditions in our supply chain, we have mapped the complete network of factories that supply the traders we work with. Throughout the year, we actively engaged with our direct contacts (the traders) to request that these factories undergo a social audit if they do not already have one. This process presents challenges, as we typically do not have direct contact with these factories, and our contracts are stipulated with the traders rather than the factories themselves.

Beyond audits, we are seeing several suppliers take independent steps toward ESG improvements. In 2024, one of our suppliers in China became a B Corp—the first tech manufacturer in the country to earn this certification—while a supplier in Pakistan has been publishing its own ESG report since 2022 and received an A score in its BSCI audit.

In addition to external assessments, we maintain close relationships with our suppliers through regular visits—both by our colleagues from the Shanghai office and QC team, and by team members from our headquarters in the Netherlands. These visits allow us to strengthen partnerships, observe working conditions first-hand, and engage in discussions about necessary improvements.

Furthermore, we conduct annual internal supplier evaluations, in which social audit performance is one of the key parameters considered.

Social audits and Human Rights monitoring are part of our responsibility within our Risk assessment framework.

### Style of audit, direct suppliers

Fully announced: **21.5%**  
Semi-announced: **77.4%**  
Unannounced: **1.1%**

### Direct suppliers workforce\*

Permanent workers: **18,744**  
Male: **51.5%**  
Female: **48.5%**

\* Figures include data from direct suppliers that are manufacturers (excluding traders and external brands) who underwent a social audit in 2024.

### Top 25% direct suppliers' human rights related performance, compared to 2023\*

■ Worse: **22%**  
■ Equal: **52%**  
■ Improved: **26%**

\*Based on the number of findings reported by a third-party auditor in selected human rights performance areas (aligned with the UN Declaration of Human Rights) during the 2024 social audits, compared to 2023. These areas include:

- No discrimination, violence or harassment
- The rights of freedom of association and collective bargaining
- Workers involvement and protection
- Decent working hours
- Fair remuneration
- No bonded, forced labour or human trafficking
- No child labour

### Risk in the supply chain

Enhancing transparency within our supply chain allows us to identify risks and continuously improve our processes to prevent human rights and environmental issues. At a minimum, it ensures we have a structured approach for responding to any concerns that arise. Human rights and environmental risks remain an integral part of our overall company risk assessment.

As mentioned in the previous paragraph, a key mechanism we continued to rely on in 2024 is Amfori BSCI. As a member, we are connected to audited suppliers and are notified if any zero-tolerance issues arise during an audit. In such cases, all buyers linked to the supplier are required to take action within a set timeframe to mitigate the issue. In addition to social audits, Amfori has expanded its efforts with the Speak for Change program, launched in several countries. This initiative provides supply chain workers with a safe and anonymous way to report violations.

In 2024, one report was submitted to amfori BSCI through Speak for Change concerning an XD Connects supplier. While it was not classified as a zero-tolerance case, Amfori deemed it relevant for further investigation. All buyers were informed, and an official review was initiated to assess the validity and circumstances of the report. At the time of writing, the investigation was still ongoing.

This case underscores the value of conducting annual social audits within the supply chain by a recognised third party, and supporting additional programs and grievance mechanisms that help workers voice concerns. These assessments not only help identify risks but also create opportunities to support positive change and promote safe working conditions.

In 2024, we did not encounter any zero-tolerance cases. Risks related to severe violations—such as child labour and forced labour—are recognised in our Double Materiality Assessment, making them a key area of ongoing monitoring.

Beyond social audits like Amfori BSCI, Sedex and SA8000, we also leverage other frameworks to assess potential risks. Certifications such as GRS and FSC impose standards on critical factors like chemical use, labour conditions, and responsible sourcing, with compliance verified through annual audits.

In 2024, XD Connects also strengthened its engagement with BEPI, the environmental branch of Amfori's assessment and audit program. This initiative aims to provide deeper insights into the environmental impact and potential risks within our supply chain. Findings and further developments will be monitored throughout 2025 (more details on this can be found in the Environmental chapter).

➤ [GRI 407-1](#)

➤ [GRI 408-1](#)

### Human rights due diligence regulation

In addition to our own ESG strategy and commitments, we operate within a landscape shaped by national and regional regulations. In recent years, there has been an increased focus on due diligence within global supply chains, leading to the introduction of new legislation aimed at strengthening corporate responsibility. Companies are now expected to assess their supply chains, identify potential risks, and take action to mitigate any adverse impacts.

In 2024, the European Union approved the Corporate Sustainability Due Diligence Directive (Directive 2024/1760). This directive mandates that large companies identify and address human rights and environmental impacts within their operations and global value chains, both upstream and downstream. While companies will only be required to comply from 2027, and XD Connects is currently outside the scope of this directive, we are monitoring developments closely.

We also continue to comply with existing human rights regulations, including the UK Modern Slavery Act and the Norwegian Transparency Act, which require companies to monitor human rights risks in their supply chains. Our Modern Slavery Statement is updated annually and available in our ESG Document Library.

Staying informed on evolving regulations remains a priority for us, ensuring that our approach to responsible business is aligned with legal requirements and best practices.

➤ [GRI 2-23](#)

### KPI Monitoring

At XD Connects, we actively monitor key supply chain indicators related to human rights risks:

#### Audit Coverage:

We track the percentage of suppliers audited, with the requirement that 100% of our top 25% of suppliers (by order value) undergo social audits. For our apparel collection (lqoniq), all suppliers (all tiers) in the recycled content supply chain are required to have a valid social audit, as apparel is considered a high-risk sector. In 2024, 100% of them met this requirement. Our goal is to extend this same requirement to the organic fabric supply chain.

#### Audit Results:

We monitor annual social audit outcomes, including Tier 1M (manufacturer) suppliers working through traders, considering several aspects of the audit results, for instance working hours and fair remuneration.

#### Grievance Mechanisms:

We monitor the presence of operational-level grievance mechanisms in audited facilities. In 2024, 98.9% of our directly audited suppliers had an operational grievance mechanism in place. One example of such a mechanism is the Amfori Speak for Change programme, which is available in selected countries.

➤ [GRI 409-1](#)

# External stakeholders

At XD Connects, we integrate both upstream and downstream external stakeholders into our ESG roadmap. We do so by prioritising the health and safety of end users, ensuring the high quality of our products, and maintaining consistent engagement with key stakeholders through transparent ESG communication.

## Health and safety of end users

Ensuring the health and safety of our end users is a key priority for XD Connects. Our dedicated Compliance officers work closely with our XD Shanghai office and suppliers to ensure compliance in line with legislation, and in most cases requiring stricter safety standards than required legally.

Every new item and reorder undergoes a risk analysis before production, in line with the General Product Safety Regulation (EU) 2023/988. If a vendor cannot guarantee compliance, we do not proceed with the order. In 2024, one item was stopped during pre-production because its sample did not meet the standards set out in our compliance system.

In 2024, there were no instances of non-compliance with regulations or voluntary codes related to health and safety, product information, or labelling. Should any of our products in the market fail to comply with safety regulations, our recall policy would apply.

As part of our regulatory oversight, in 2024 we met with the Netherlands Food and Consumer Product Safety Authority (NVWA) to review our process for RPET food-safe materials under EU Regulation 2022/1616. The NVWA reviewed our documentation and processes, both of which were approved.

Given the increasing global awareness of PFAS risks, XD Connects has taken a proactive approach by conducting a full risk analysis in 2024 to assess product materials. A total of 197 risk items and materials were tested, and while PFAS was detected in recycled polyester, this material was not classified as a risk. Throughout the year, we implemented stricter PFAS-free requirements to further align our offerings with environmental safety standards.



“Product compliance is the cornerstone of business integrity, ensuring adherence to regulatory standards while safeguarding consumer trust and encouraging responsible innovation.”

— Danny van Ingen  
(Product Compliance Manager at XD Connects)

Additionally, in 2024, we strengthened our quality control measures to further reduce the presence of harmful chemicals, including PVC. Whenever PVC or restricted chemicals are identified, we reject the batch, requiring suppliers to immediately rework the product to meet compliance standards. A comparison of our chemical testing results for 2023 and 2024 can be found in the table below.

Total	Total tests	RoHS fails	PVC found	REACH POP fails
2023	3,648	10	182	15
2024	3,921	1	81	6

Beyond product safety, we also prioritise the data privacy of our customers. Our Privacy Policy, available on our website, and our internal data collection systems are compliant with the European General Data Protection Regulation (GDPR). In 2024, XD Connects experienced a malicious cyberattack that resulted in a leak of personal data. In response, we implemented stricter data protection measures to enhance security.



### Meeting our high standards

The design, quality, and compliance with both regulatory (e.g., REACH) and voluntary standards (e.g., FSC) are key considerations during product development. Before production begins, our Quality Assurance (QA) team works with manufacturers to define and review all product specifications and compliance requirements, ensuring they will be correctly implemented once production starts. After production, our Quality Control (QC) team verifies that these standards have been met. This process is essential to safeguarding end-user safety and ensuring accurate communication on topics like product certifications and disposal guidelines, such as the Triman logo.

Our Quality team, based in China, consists of 17 dedicated professionals, with eight colleagues specifically focused on QC inspections. They inspect a sample of every order we place following a structured schedule and reporting process using a dedicated application. These inspections compare samples against agreed-upon specifications, ensuring that all orders meet our high standards before shipment. For larger orders, we arrange for QA specialists to oversee production directly at the factory, allowing for the early

identification and resolution of potential quality issues during manufacturing, rather than after production is complete.

For items not produced in China, manufacturers conduct in-house QC inspections and share reports with our Product Development team. As with China-based production, post-production samples from these manufacturers are sent to our headquarters for final checks and approval.

To strengthen quality control, we updated our complaint procedure in 2024, working more closely with suppliers to address any quality or functionality concerns more effectively. Following this updated procedure, if a customer complaint is received, it is logged as a case in our CRM (Customer Relationship Management) system by the customer service department, along with key details such as the complaint category, claim reason, order number, item number, original sales quantity, complaint quantity, and a brief summary of the issue. Pictures and/or videos are added to the case if available. This system provides valuable insights for our Quality & Compliance team, enabling them to follow up regularly with vendors in monthly meetings and agree on actions to improve processes and prevent future complaints.

Our commitment to quality also extends to our decorating service. Printmasters maintains an ISO 9001-certified quality management system, ensuring consistent standards. Similar to our Shanghai office, a dedicated QA/QC team operates on-site, reporting directly to the Managing Director.

The QA/QC process at Printmasters begins even before a product enters our collection. Decoration techniques are tested and validated to ensure they can be consistently applied at a high-quality level across all orders. For every order, an initial test piece is produced and approved, with the results recorded for future reference. A final quality check takes place at the packing stage, where the industry-standard Acceptable Quality Limit (AQL) is applied.

If any deviations from expected decoration quality are detected, escalation procedures are in place.

To track and improve performance, a KPI was introduced to monitor complaints related to decorated products. In 2024, only 0.32% of all decorated orders received a decoration-related complaint, reflecting a customer satisfaction rate of over 99%. Beyond KPI tracking, a detailed internal monitoring system is used to analyse complaints and errors before delivery, enabling continuous quality improvements.



**“Behind every inspection is our commitment to delivering products that meet our customers' high expectations. My team plays a crucial role in ensuring that what we deliver truly reflects the care and quality we stand for.”**

— Micheal Lee  
(Quality Manager at  
XD Connects Shanghai)

**“At Printmasters, our Quality Assurance policies aren't stand-alone practices—they're an integral part of our broader ESG strategy. Every step, from material sourcing and personalization validation to final AQL checks, is the result of research, innovation and continuous improvement, assuring consistent results and low-impact personalization.”**

— Cosmin Lucean  
(ESG & Innovation Manager at  
Printmasters)

### External engagement

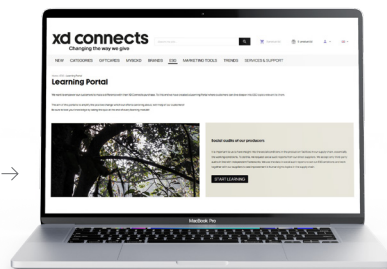
We believe that knowledge and awareness are key to driving meaningful change. To support this, we actively engage with our clients, providing them with the tools to deepen their understanding of ESG topics.

Our ESG Director plans several customer visits each year to discuss our ESG goals, achievements, and progress. In 2024, these visits included trips to Denmark, Sweden, and the UK. Online presentations also play an important role in our outreach, ensuring continuous dialogue and collaboration on ESG topics.

In addition to in-person visits, we also feature a dedicated ESG section on our website where we share insights into our approach to key ESG topics. Previously, this information was hosted on a separate website. However, in September 2024, we merged the ESG content into our main website, enhancing accessibility and making it easier for visitors to learn about our initiatives.

Our learning portal also plays a key role in empowering clients to deepen their knowledge of ESG topics, enabling them to make informed decisions and contribute to positive change. In 2025, we plan to expand the portal with new topics and enhance the depth of existing ones, further strengthening our role in increasing ESG knowledge within our industry.

ESG Learning Portal on the  
XD Connects website →



**“I enjoy connecting with customers, either in face-to-face or digital meetings, understanding what the market needs and sharing ESG developments at XD Connects. Customers are important stakeholders, they are uniquely positioned between supplier and end-customer and play a vital role in communication and transparency – two of our key tools to realize change in our industry.”**

— Joy Puor  
(ESG Director at XD Connects)

### Giving back to the community

At XD Connects, we believe in giving back and creating a positive impact in the communities where we operate.

In Rijswijk (our headquarters in the Netherlands), we collaborate with a local non-profit, Festijnabrikozenplein, to repurpose products accumulated from samples and displays. In 2024, thanks to this partnership, we supported neighbourhood festivities for children during school holidays, enhancing their experience with our items. Additionally, we have donated products to families in need through organizations like De Club van 4.

Printmasters also supports local causes in Romania through sponsorships and donations. This includes Asociația Pirită, an NGO dedicated to improving living conditions and education for underprivileged communities; Fabrica de Campioni, a sports development program nurturing young athletic talent; and Mândrie Maramureșeană, an event that promotes the cultural heritage of Maramureș, where Printmasters is located.

Colleagues from Printmasters at  
the Maramureș Runners Marathon →

In 2024, Printmasters employees also participated in the Maramureș Runners – Rotaract community marathon, which encourages a healthy lifestyle and supports charitable causes. For every kilometre run, a tree is planted.

Additionally, our UK team joined Red Nose Day 2024, an annual fundraising campaign aimed at ending child poverty by supporting programs that provide safety, healthcare, and education to children.

We take pride in these initiatives and are grateful to our partners for making them possible!



### Our industry

XD Connects is an active member of various industry associations, allowing us to stay informed about key market developments and to align with industry standards. Our memberships include, among others, the Dutch association PPP (Promotional Product Professionals), BPMA (British Promotional Merchandise Association), and the German PSI (Promotional Product Service Institute). The full list of memberships is available on our website

In 2024, our ESG Director was invited once again to contribute to the PPP Academy, delivering two classes and sharing insights and expertise on ESG and responsible business practices with industry professionals.

Throughout the year, we also won several awards that underscore our commitment to excellence across various aspects of our business. We take pride in these achievements, as they motivate us to continue striving for improvement and innovation in everything we do.



↑ Team Scandinavia received Supplier of the Year by Alligo



#### Counselor Sustainability Advocate of the Year (USA)

→ Advertising Specialist Institute (ASI)



#### Apparel Product of the Year - PLATINUM - (Meru Bodywarmer)

→ British Promotional Merchandise Association (BPMA)



#### Embracing Change 2024 (UK)

→ Brand Addition



#### Pushing the Boundaries 2024 (UK)

→ Brand Addition



#### Sustainability Leader (UK)

→ Fluid Branding



#### Best Marketing Support (UK)

→ Fluid Branding



#### Supplier of The Year 2024 (UK)

→ Fluid Branding



#### Supplier of the Year 2024 (NL)

→ PromZ Awards



#### Supplier of the Year 2024 (NO)

→ Blekkspruten Awards



#### Supplier of the Year 2024 (SW)

→ Alligo



#### Supplier of the Year 2024 (FR)

→ L'Objet Media



#### Eco supplier of the Year 2024 (NO)

→ Blekkspruten Awards



#### Excellence in Water Co-ion Management (RO)

→ at the Green Report Gala in Bucharest



#### Most Sustainable Collection of the year 2024 (RO)

→ at the "End client event" in Bucharest



# Employees

At XD Connects, we recognise that our employees are the foundation of our success. While we actively work to track and improve working conditions in our supply chain, we are equally committed to fostering a supportive and responsible work environment for our own team.

## Collective labour agreements

A great majority of our employees, 89%, are covered by a collective labour agreement. This includes employees at XD Connects HQ, Printmasters, and Vinga.

At **XD Connects HQ**, a new agreement under the CLA MITT took effect on January 1, 2024, and will remain valid until August 31, 2025. As part of this agreement, salary indexation rates were determined, and adjustments were made to the 80-90-100 scheme (80% work, 90% salary, 100% pension accrual), providing employees with a flexible transition towards retirement.

In 2024, no new negotiations took place, with the next round scheduled for 2025. In 2023, when XD Connects first joined the CLA Mitt, all changes to the terms of employment were discussed with the employee representation body—the Soundboard—prior to implementation, and information sessions were held with employees.

For Printmasters and Vinga, no significant changes were registered throughout 2024. On the right is a summary of the key details for these entities.

At **Printmasters**, the CLA is renewed every two years. The negotiation process follows the Social Dialogue Law applicable in Romania, with discussions held between Management and elected employee representatives.

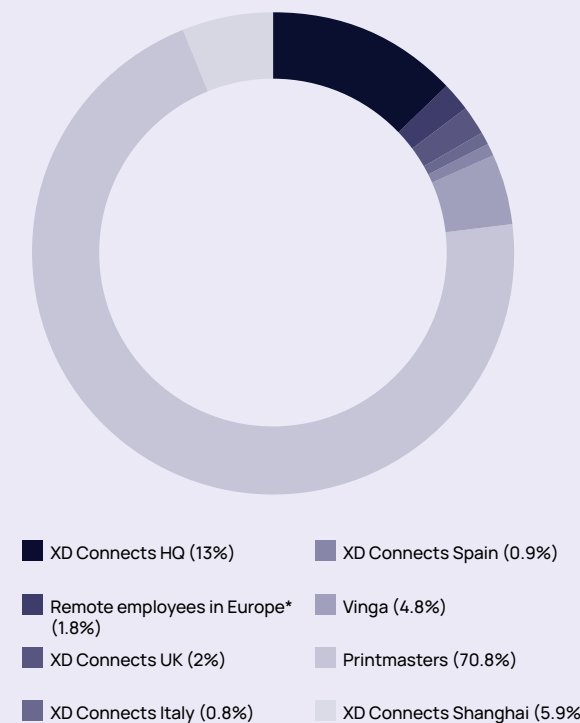
The Agreement applies to all Printmasters employees and is established in accordance with the Romanian Labour Code and other relevant local laws. Employee representatives are either consulted or informed, as required, on significant decisions affecting the workforce.

**Vinga** partners with a local Swedish trade union that represents all employees. This partnership entails conducting an annual review with the trade union to assess employee salaries against market standards.

Additionally, Vinga has a responsibility to inform the trade union of significant business changes. The company maintains a collaborative relationship with the trade union and engages in periodic negotiations as necessary.

For the remaining 11% of employees who fall outside the abovementioned entities—those working in our offices in the UK, Spain, Italy, China, as well as sales employees based in European countries where we do not have a physical office for XD Connects sales operations (France, Germany, Sweden, Norway, and Denmark)—employment terms adhere to the respective national regulations. For our employees in China, employment terms are governed by China's Labour Contract Law and the Social Insurance Law. These laws govern the contractual relationship between employees and employers, delineating rights and obligations while also addressing essential matters such as working hours and safety.

## Employee distribution across our entities



\*Remote sales employees based in European countries where we do not have a physical office for sales operations

Benefits

All employees, including temporary and part-time employees, are entitled to benefits as outlined in the relevant CLA, national regulations, and employment terms.

Family-related leave, including parental leave, is granted in accordance with these agreements and regulations and is tracked by entity and gender. At Vinga, employees on parental leave can access skills training to stay updated during their time away.

To support employee well-being, Vinga and XD Connects Sweden provide a wellness allowance for health-related activities or products, as well as access to support or rehabilitation services. At XD Connects HQ, employees can request a stand-up desk (subject to physiotherapist approval), access the on-site gym facilities, and enjoy fresh fruit to promote healthy habits.

At Printmasters, the We Take Care programme guarantees all employees a range of benefits, including meal vouchers, private health insurance, and additional vacation days based on seniority.

Diversity and inclusion

Recognising the importance of fair treatment for all and the value of promoting the unique characteristics that make each individual special, we support a diverse and inclusive workplace where everyone can thrive. Our hiring practices ensure that candidates of all genders and ages are assessed equally based on experience and qualifications. In 2024, XD Connects continued partnering in a program that supports job seekers

facing barriers to employment due to physical or mental challenges. In 2024, 0.65% of our workforce identified as having a disability.

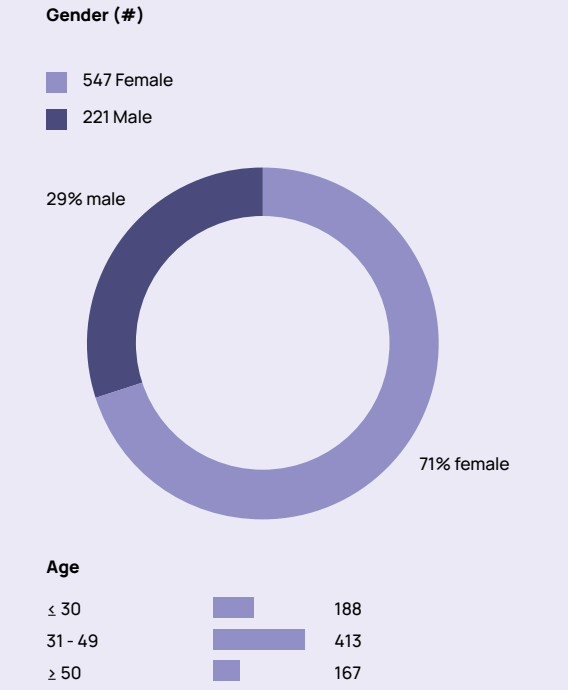
Throughout 2024, we have continued monitoring and tracking diversity and inclusion across all our entities through several key indicators. Due to legal restrictions, we do not monitor employee ethnicity or religion, focusing instead on factors such as age, nationality, and gender.

On December 31, 2024, the gender distribution across all entities was 71% female and 29% male, while the Board of Directors and the Supervisory Board consisted entirely of male members. We actively monitor pay differences between male and female employees. XD Connects (all entities) adheres to the principle of equal pay for equal work, but it also tracks the unadjusted gender pay gap (without accounting for role, experience, and education) to gain broader insights into overall pay trends and potential disparities. The figure for 2024 was 68.7%. This data is reviewed internally and by the Board of Directors to identify and address any salary gaps where necessary.

Additionally, we track total new hires and overall employee turnover as percentages, though this data is not segmented by gender or age group. Employee turnover for temporary or non-guaranteed-hours employees is not specifically monitored. While we maintain records of full-time and part-time employees, these figures are not broken down by gender or age.

At our Netherlands HQ, a confidential counsellor is available for employees to raise concerns anonymously, including those related to discrimination. Anonymized insights from these reports are periodically shared with HR to assess whether any preventative actions are needed. To protect employee privacy, details of individual reports are only disclosed to relevant parties when follow-up is required.

Employee demographics



Data as of 31/12/2024, based on headcount and including all entities.

Nationality



GRI 2-7

GRI 401-2

GRI 405-1  
ESRS S1  
GRI 405-2  
GRI 401-1

### Learning and development

At XD Connects, we believe in empowering our team by offering our employees opportunities for growth and development. At XD Connects HQ, UK, Spain, and Italy, newly hired employees meet with their managers after their one-month probation period to discuss performance and skill requirements. For existing employees, we conduct annual reviews, where we also assess their training needs and identify opportunities for skill enhancement. A budget is available to support participation in courses that help employees succeed in their current roles and develop professionally.

At Printmasters, a structured introduction plan supports new employees through their development journey, with evaluations at three and twelve months, followed by annual reviews. These evaluations are complemented by internal or external training to strengthen both hard skills, such as Excel and English, and soft skills.

Vinga conducts annual career reviews to map out goals and identify training needs for all employees.

Additionally, managers are encouraged to enhance their leadership and communication skills through targeted courses.

We also offer internal e-learning courses to all employees at XD Connects HQ, UK, Italy, Spain, and sales representatives in European countries without a physical office, as well as the Shanghai office. Courses in 2024 covered a wide range of topics, including ESG subjects, internal policies, IT, and sales-related courses. While we initially planned to expand the e-learning program to Printmasters and Vinga in 2024, this project is still in progress.

In 2025, we will transition to a new e-learning platform, which will initially serve XD Connects HQ and other European sales offices, with plans to extend it to Vinga and Printmasters afterwards. XD Shanghai will continue using their current platform, as it is different from the one used in European entities.

Printmasters printing factory →





### Health and safety

All employees are covered by the company's health and safety management system, without exception. Each entity defines its policies based on operational needs and adheres to locally mandated regulations where applicable. In some cases, policies apply across multiple entities, depending on their scope.

At our headquarters in the Netherlands, a 'Risk Inventory and Evaluation' (RI&E) is conducted by an external party, as required by local regulations. The frequency of these evaluations depends on changes in the office environment. While a review was considered for 2024, no new assessment was initiated as no significant changes had occurred. The RI&E report outlines findings and recommended actions, which are addressed throughout the year and logged in an online portal. Two prevention officers oversee this process.

XD Connects' head office also has an Emergency Response Team (ERT), a legal requirement in the Netherlands under BHV (Arbo legislation). The team consists of six employees who receive annual training in evacuation procedures and basic emergency assistance. XD Connects provides essential safety equipment, including an AED (Automatic external defibrillator), fire extinguishers, and walkie-talkies.

The team holds quarterly meetings and conducts an annual evacuation drill.

Documentation is updated annually or as required by the ERT leader. In 2024, a new evacuation plan, including a building-wide evacuation exercise, was implemented in collaboration with other tenants.

Health and safety coverage varies across our smaller European offices. At the Vinga office in Sweden, risk assessments are conducted if significant changes occur, as mandated by their Collective Labor Agreement. General safety checks are performed periodically, up to four times a year. Offices in Italy, Spain, and the UK are not yet covered by formal health and safety assessments, although an assessment is planned for the UK office in 2025.

At our Shanghai office, employees who have passed their probation period receive annual health checks. At Printmasters, our decorating facility, occupational health and safety is a top priority due to the nature of the operations. Clear policies are in place to ensure employee safety, particularly when operating machinery. Printmasters undergoes an annual audit through Sedex, the SMETA 4-pillar, which includes a review of health and safety practices. The 2024 audit resulted in zero nonconformities.

Nevertheless, continuous improvement projects are in place, with a particular focus on pre- and post-press operations (i.e., before and after decoration).

Printmasters also uses sensors to monitor air quality in the facility, providing real-time data on parameters such as temperature, VOC particles, and humidity. These sensors account for the impact of different decorating techniques, enabling both immediate adjustments and long-term improvements to the work environment.

Additionally, all substances and mixtures used in the facility are registered and comply with EU Regulation (EC) No. 1907/2006 – REACH. The latest update of the ECHA candidate list (June 2024) is strictly followed for all substances, except for UV-sensitive ink (Ink Cups Series S1 & Roland Eco Solvent). Due to the technical requirement of curing ink under UV lamps, these inks contain photo-initiators. However, these substances are not listed under Annex XIV or Annex XVII. Substances that are not banned but appear on the 'Targeted' SVHC list are reviewed twice per year to ensure continued compliance. The Printmasters team remains vigilant in monitoring regulations to maintain adherence.

Printmasters has a full-time health and safety officer and a full-time environmental officer, both of whom report directly to the managing director. They work closely with the Innovation team to ensure that only materials and inks compliant with company policies are used for product decoration. In addition to the Sedex SMETA audit, Printmasters maintains ISO 45001 certification, which is reviewed annually to ensure best practices are upheld.

No fatalities due to work-related injuries or illness occurred in 2024. Work-related injuries were recorded only at Printmasters, resulting in a total of 7 lost workdays and an LTIF rate of 1.4%.

Beyond physical safety, we also prioritise data privacy and protection for employees. As mentioned on page 38, in 2024, XD Connects experienced a malicious cyberattack that resulted in a leak of personal data. In response, we implemented stricter data protection measures to strengthen our security framework.

### 2024 Employee Survey

Every 1.5 years, we conduct an employee satisfaction survey to monitor and enhance the employee experience within our company. The most recent survey took place in September 2024 and was sent to employees across all entities except Printmasters. A total of 147 employees participated, resulting in a response rate of 65.6%.

Overall, the engagement score improved to 8.2, up from 7.2 in the previous survey. The highest-rated aspects (scoring between 8.7 and 8.9) were team collaboration, confidence in management, and pride in working for the company. However, areas for improvement included performance-based rewards (6.4), recognition (6.9), and process organization (6.8).

Following the survey, internal meetings will be held throughout 2025 with managers and teams to discuss the results and develop an action plan.

### Employee engagement project

As part of the strategic changes introduced in 2022, we set a goal to enhance employee awareness of ESG, particularly in areas relevant to XD Connects and our company objectives. Strengthening this understanding is key to driving the company forward.

In 2024, we took the first step by launching a project to assess employee awareness, engagement, and commitment to ESG. A dedicated intern conducted research through employee interviews and surveys, leading to a comprehensive report outlining key insights and recommendations for improvement.

This initiative has already provided valuable insights into the ESG topics requiring greater attention and the most effective communication methods, both in terms of content and geographical reach. The next step in 2025 will be implementing the report's findings, ensuring employees are actively involved in the process to foster inclusion and a deeper understanding of ESG within the company.



**“During my research on ESG Employee Engagement at XD Connects, what particularly stuck with me was how strongly people can connect with ESG topics as long as they feel heard and involved. It was inspiring to see how much energy is released when employees perceive that their work contributes to something bigger.”**

— **Caitlin Verver** (Junior HR Advisor and former ESG intern at XD Connects)

# Governance

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# Governance

Responsible business conduct starts with strong governance. This chapter outlines how XD Connects is structured, where key checks and balances lie, and how ESG decisions are made at the highest level. The following sections cover three main areas: structure and composition, overseeing ESG at XD Connects, and responsible business conduct.

## Structure and composition

The governance structure at XD Connects is headed by the Board of Directors, which includes the CEO, Financial Director, Commercial Director, Operations Director, Director of Commercial Technology (all based in the Netherlands office), and the Managing Directors of Printmasters (based in Romania) and XD Connects Shanghai (based in China). The Director of Commercial Technology was added to the board in 2024. This board constitutes the highest decision-making body and is responsible for overseeing the company's operations, holding ultimate authority over decisions related to the organization's management, including the implementation of ESG strategic decisions.

The Board of Directors comprises one executive member (the CEO) and six non-executive members. Board members do not have fixed tenures; the longest-serving member has been with the company for 25 years,

while the shortest-serving member has joined XD Connects in 2024.

Currently, the board is composed entirely of men, aged between 42 and 65, with six members identifying as white and one as Asian. While the board represents only internal stakeholders, it includes members from the company's key operational locations in the Netherlands, China, and Romania. Vinga has its own board of directors, which reports to the XD Connects CEO. The chair of the Board of Directors is the CEO, who is responsible for managing the directors and overseeing departments such as ESG, Product Development, Human Resources, and Marketing. The organization operates with a flat structure, which means there are fewer management layers. This results in a more compact management group consisting of fewer managers and executives.

Employment contracts for the Board of Directors include clauses addressing the prevention and avoidance of conflicts of interest. This is mostly related to cases where family members or other relationships are involved in the same industry. Board members do not hold external commitments beyond their responsibilities to the board and their own department or organizational entity within the company. A checks and balances mechanism for strategic decisions is in place in the form of a Supervisory Board, consisting of one external member. Additionally, as XD Connects is a portfolio company under private equity ownership, the private equity firm also performs a checks and balances function with an eye on increasing the value of the company.



### Nomination and selection

Board positions are determined based on what is considered relevant for effectively managing the company. If changes to the Board's composition are deemed necessary for proper management and continuity, the Board makes these decisions internally with advice from the private equity owner. In 2024, the Board's composition changed to include the Director of Commercial Technology, reflecting the need for technology management representation at the highest level.

There is no fixed nomination or selection process; appointments are made at the Board's discretion. When a Board member leaves the company, their successor in the corresponding role (e.g., Commercial Director, Operations Director) assumes their seat on the Board. Over the past seven years, all existing Board members have remained in their positions.

➤ GRI 2-10

### Performance and remuneration of the Board of Directors

The performance of the Board of Directors on ESG topics is discussed in regular company performance meetings with the private equity owner. However, ESG performance is not an official evaluation metric and is not formally linked to remuneration. Any evaluations are at the private equity owner's discretion and focus on overall performance.

To ensure that the Board of Directors remains up to date on ESG matters and on the company's ESG progress, our ESG director holds monthly meetings with our CEO and quarterly meetings with the complete Board of Directors. Evaluations on ESG progress are not conducted by independent bodies or committees. In this case, the Supervisory board is active in an advisory role.

➤ GRI 2-17  
➤ GRI 2-18  
➤ GRI 2-19  
➤ ESRS G1

Remuneration policies for the Board of Directors differ per position on the Board. Board members do not receive extra bonuses, shares, or other performance-based pay. Bonuses are awarded according to the same specifications as those for all other employees. No external stakeholders were involved in the process of designing the remuneration policies for the Board of Directors and no voting took place.

Internally, we monitor the ratio between the annual total compensation of the organization's highest-paid individual and the median annual total compensation for all employees. This does not include Board members, as their compensation scheme differs from that of other employees. The Board of Directors is responsible for maintaining a fair balance of remuneration within the company. This data is not shared externally.

➤ GRI 2-20





# Overseeing ESG at XD Connects

In 2024, the Board of Directors remained actively engaged and provided guidance on the company's ESG strategy, with support from the private equity owner. ESG due diligence is integrated into general due diligence, as ESG considerations are embedded in all aspects of the company. The company's risk assessment includes environmental and social risk factors, which the Board reviews at least annually—typically in Q1—to determine whether any expected risks require further due diligence.

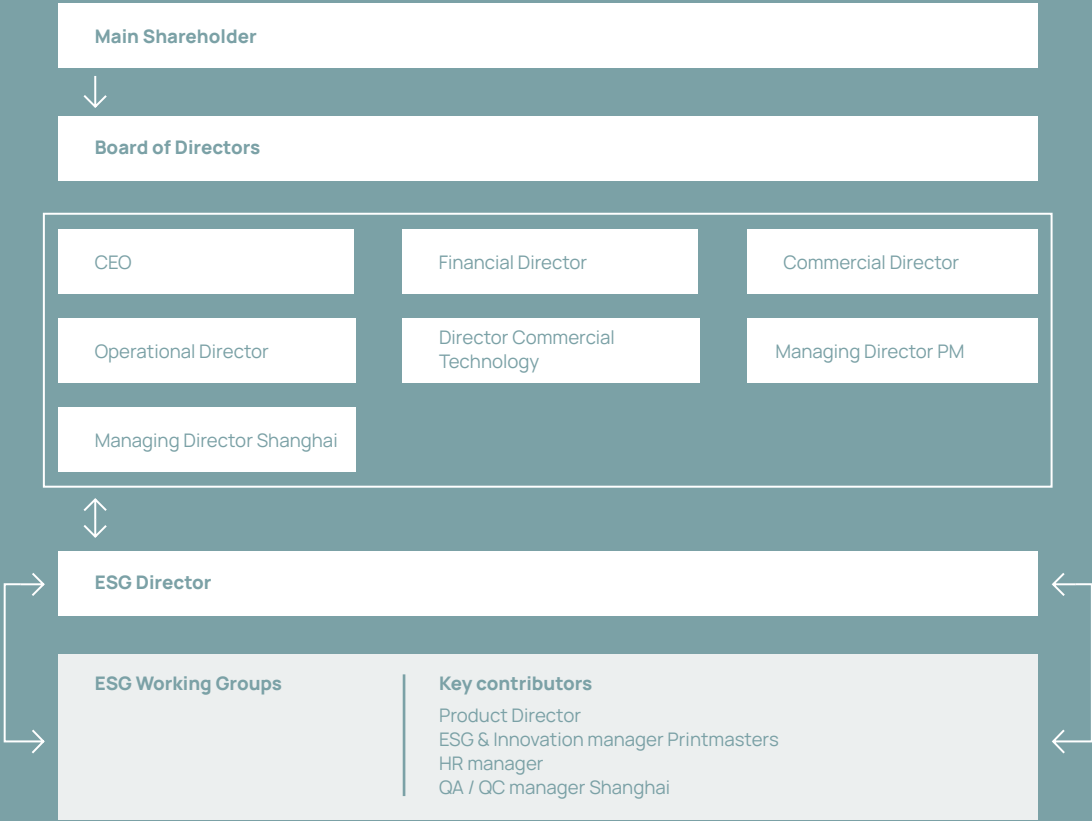
Stakeholder engagement primarily takes place during risk reviews (involving relevant directors and managers) and materiality assessments. The results of these risk management reviews and materiality assessments are evaluated by the management team and implemented by the Board of Directors.

Reviewing and approving reported ESG information is primarily the responsibility of the ESG Director and is not subject to verification by the Board of Directors. However, the Board is always notified of reporting documentation, particularly for external reporting, and provides feedback. Depending on the content, they may also grant final approval.

The ESG team, led by the ESG Director, works closely with other departments to gather and compile relevant data, which helps shape the company's ESG strategy, set goals, and track progress.

At the same time, the department managers are in close contact with the ESG Director regarding all topics that have a connection with the ESG strategy.

Governance of ESG topics structure





# Responsible business conduct

XD Connects has a Fair Business Practices policy and a Code of Conduct, which incorporates responsible business principles and aligns with the Amfori BSCI Code of Conduct. These guidelines are integral to our operations, and we closely track key performance indicators (KPIs) related to them. In addition, as members of various industry associations, we commit to adhering to their respective codes of conduct, which also emphasise responsible business practices.

Until August 2024, all employees across XD Connects, including regional offices in the UK, Spain, Italy, Vinga, and XD Connects Shanghai, were required to undergo mandatory training on responsible business conduct through our internal online learning platform. This training covered areas such as recognising and preventing harassment and promoting fair business practices. While these training sessions have been put on hold due to our transition to a new online learning platform, they will be reinstated in the first half of 2025.

## Critical concerns

In 2024, no conflicts of interest were identified within the governance bodies. There is no set frequency for reporting such issues; however, any relevant incidents will be shared with the private equity owner upon request, as they are the controlling stakeholder, according to the organization's consolidated financial statements.

Throughout the reporting period, no critical concerns were raised to the Board of Directors by internal stakeholders. These can communicate concerns to the Board as outlined in the whistleblowing policy, or in the case of labour disputes, via the HR department. Additionally, the Soundboard (employee representation) and the management team are also responsible for highlighting critical issues they observe. In 2025, a formal grievance process will be introduced across all entities.

At present, external stakeholders do not have a fixed grievance mechanism or process in place, but this remains a priority for the company and is set as a goal for 2030.

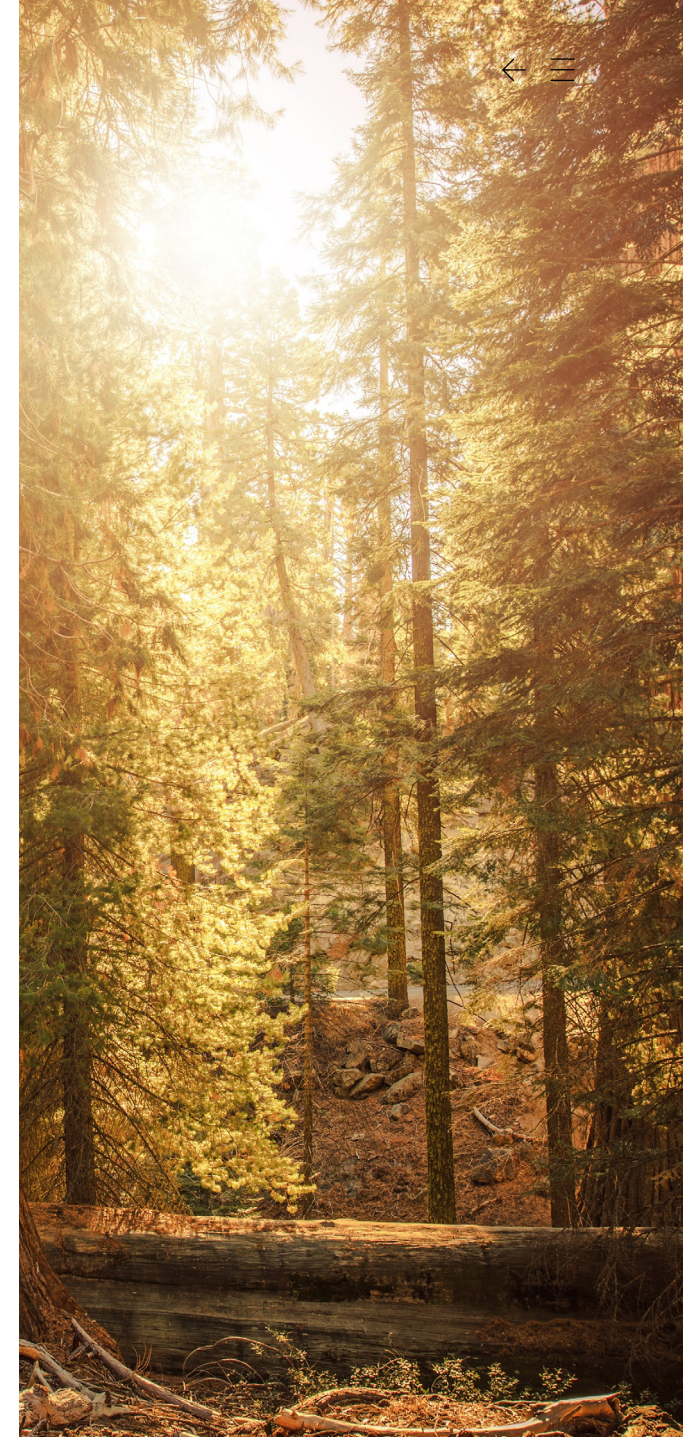
## Transparency

Transparency drives change. Without transparency about our targets and progress, we cannot be held accountable for our performance. Similarly, without clarity in our claims, we fail to build the trust that the market expects.

In 2024, the previously separate ESG website was integrated into the main XD Connects' website, enhancing accessibility to information and improving the transparency and interconnectedness of various topics. The ESG Document library remained a key resource for sharing reports, certifications, and policies, ensuring transparency regarding our SBTi target approval and our EcoVadis assessment results.

Our website also features a Learning Portal where visitors can explore ESG topics relevant to XD Connects, including how we address them. More information is available on page 40.

In 2024, there were no incidents of non-compliance concerning marketing communications.



Corporate culture

At XD Connects, we combine our entrepreneurial origins with a professional business culture. A strong set of values and behaviours lies at the heart of our company, creating a work environment that fosters employee development, proactivity, and innovation. Shared beliefs and a collaborative work ethic contribute to a pleasant and cooperative atmosphere.

By 2024, the rebrand and renewed company strategy, implemented in 2022 and centred around ESG, have been firmly embedded.

Our mission and vision, focused on driving change in our industry, have attracted many new colleagues who appreciate working for a company with a clear direction and goals for the future.

This strengthens our internal culture and enhances our external position, as dedicated employees are the driving force behind our continued success and inspire us to keep moving forward, even in the face of global challenges.

For more information about our core values, please check [page 5](#).

**Ecovadis**

In 2024, we participated in the EcoVadis assessment, an external evaluation of our ESG performance. Reporting on our 2023 activities, we received a score of 80 out of 100, earning the Platinum medal and placing us in the 99th percentile of all assessed companies in the previous 12 months from our assessment.

The EcoVadis assessment covers key ESG topics, including Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Companies complete a comprehensive questionnaire, tailored to their size and industry, and provide supporting evidence of their practices. EcoVadis analysts then review the submissions and assign a score out of 100.

Based on these scores, companies receive a final score and may qualify for a Platinum, Gold, Silver, or Bronze medal.

A commendable achievement in 2024 was receiving scores of 100/100 for the Measures indicator in each of the four ESG areas. The measures indicator assesses a company's actions in support of its ESG policies and commitments.

We have participated in the EcoVadis assessment since 2017. As for previous years, the insights gained from our 2024 results will guide us in further strengthening our ESG efforts, ensuring continuous progress and alignment with best practices.



“It’s truly motivating to be part of a workplace and an international team where everyone has the opportunity to step up, take the lead, and help move our industry in a more responsible direction.”

— **Petra van Halsema**  
(Key Account Manager Austria & Switzerland at XD Connects)

When we consider how corporate culture helps advance our mission to create positive change, we can apply this to our own colleagues:

- What is the overarching goal of our company?  
→ **Striving for positive change**
- Who can make this happen?  
→ **Our Employees**
- How do we envision achieving this?  
→ **Through engagement, commitment, and transparency**



Our most recent Ecovadis scores

2021	Gold	<div></div>	67/100
2023	Gold	<div></div>	72/100
2024	Platinum	<div></div>	80/100



## Looking ahead to 2025

**As we look ahead to 2025, we remain committed to our ESG goals and initiatives, continuously seeking ways to enhance our impact and foster responsible practices. Here, we share a set of initiatives we look forward to implementing in 2025.**



### DPP for soft goods

In 2025, the Digital Product Passport (DPP) will be introduced for an expanded range of soft goods beyond IqonIQ items. This will include beanies, towels, and backpacks, all of which are already equipped with the Aware tracer. The DPP will be accessible via a QR code on the item hangtag and inner label, as well as through a direct link on our website, making product traceability and data even more transparent.



### Information about the CO<sub>2</sub> footprint of decorations

Starting in 2025, the CO<sub>2</sub> emissions of decorations will be available on our website and in our CO<sub>2</sub> reporting, giving customers more insight into the environmental impact of their choices. By providing this information, we aim to support more conscious decision-making.



### Joining the UN Global Compact

In 2025, we will formalise our commitment to responsible business practices by joining the UN Global Compact. This step reflects our dedication to ethical business conduct and provides access to valuable tools, resources, and a network of like-minded organizations working toward positive change. We also see this as an opportunity to further align our efforts with the UN Sustainable Development Goals, providing clearer direction for our contributions.



### Increase external communication

In 2025, we will expand our Learning Portal by adding new topics and deepening the content of existing ones. Our goal is to provide clients and industry partners with accessible and practical knowledge that supports informed decision-making and encourages greater engagement with ESG topics.



### Strengthening internal ESG engagement

Following our internal research on ESG awareness among employees, we will focus on strengthening internal communication and engagement around these topics. We believe that our employees should feel informed, engaged, and proud of our ESG efforts, fostering a shared commitment to responsible business practices.



### CSRD

We have prepared next steps for 2025 to comply with the original CSRD timeline, requiring us to report in 2026 for the calendar year 2025. XD Connects will continue to prepare but at a slower pace, due to the delay of 2 years on CSRD reporting for large companies. CSRD legislation does not define our ESG strategy; we have reported on these topics for several years and will continue to collect, monitor, and report the progress on our strategy regardless.





# Annexes

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Annex 1: Abbreviations

<b>Amfori BEPI</b>	amfori Business Environment Performance Initiative
<b>Amfori BSCI</b>	amfori Business Social Compliance Initiative
<b>AQL</b>	Acceptable Quality Limit
<b>ASI</b>	Advertising Specialist Institute
<b>BPMA</b>	British Promotional Merchandise Association
<b>CLA</b>	Collective labour agreement
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CO<sub>2</sub>e</b>	CO <sub>2</sub> equivalent
<b>CRM</b>	Customer Relationship Management
<b>CSRD</b>	EU Corporate Sustainability Reporting Directive
<b>DMA</b>	Double Materiality Assessment
<b>DPP</b>	Digital Product Passport
<b>ECHA</b>	European Chemicals Agency
<b>EPR</b>	Extended Producer Responsibility
<b>ERT</b>	Emergency Response Team
<b>ESG</b>	Environmental, Social, Governance
<b>ESRS</b>	European Sustainability Reporting Standards
<b>EUDR</b>	EU Deforestation Regulation
<b>FSC®</b>	Forest Stewardship Council®
<b>FTE</b>	Full-time equivalent
<b>GHG</b>	Greenhouse gas
<b>GRI</b>	Global Reporting Initiative
<b>GRS</b>	Global Recycled Standard

<b>ISO</b>	International Organization for Standardization
<b>KPI</b>	Key performance indicator
<b>LCA</b>	Life Cycle Assessment/Analysis
<b>LTIF</b>	Lost Time Incident Frequency
<b>NGO</b>	Non-governmental organization
<b>NVWA</b>	Nederlandse Voedsel- en Warenautoriteit
<b>OCS</b>	Organic Content Standard
<b>PET</b>	PolyEthylene Terephthalate
<b>PPP</b>	Promotional Product Professionals
<b>PSI</b>	Promotional Product Service Industry
<b>QA/QC</b>	Quality assurance / control
<b>RCS</b>	Recycled Claim Standard
<b>REACH</b>	Registration, Evaluation, Authorization and restriction of Chemicals
<b>RI&amp;E</b>	Risk Inventory and Evaluation
<b>SA8000</b>	Social Accountability International standard
<b>SBTi</b>	Science Based Targets initiative
<b>SDG</b>	Sustainable Development Goal
<b>Sedex SMETA</b>	Sedex Members Ethical Trade Audit
<b>SKU</b>	Stock keeping unit
<b>SVHC</b>	Substance of very high concern
<b>UN</b>	United Nations
<b>VOC</b>	Volatile Organic Compounds
<b>ZWIA</b>	Zero Waste International Alliance

## Annex 2: Key Progress Indicators

We track a broad range of KPIs to drive continuous improvement on ESG topics. Below, we share targets and results for selected KPIs relevant to our external reporting. While we have set short- and/or long-term targets for some KPIs, not all have defined targets. The references to external reporting frameworks are a 'closest fit' and not necessarily the exact disclosure.



		External reference			Target			Result		
KPI		GRI	SDG	ESRS	2030	2025	2023	2024	2023	2022
E	Direct (Scope 1) GHG emissions	305-1	SDG 13	ESRS E1	166.64 tCO <sub>2</sub> e			349.99 tCO <sub>2</sub> e	463.62 tCO <sub>2</sub> e	287.31 tCO <sub>2</sub> e
	Energy indirect (Scope 2) GHG emissions	305-2	SDG 13	ESRS E1	252.06 tCO <sub>2</sub> e			436.36 tCO <sub>2</sub> e	481.38 tCO <sub>2</sub> e	434.58 tCO <sub>2</sub> e
	Other indirect (Scope 3) GHG emissions	305-3	SDG 13	ESRS E1				40,990.6 tCO <sub>2</sub> e	38,796.66 tCO <sub>2</sub> e	39,887.93 tCO <sub>2</sub> e**
	GHG emissions intensity - revenue	305-4	SDG 13	ESRS E1				0.28 kgCO <sub>2</sub> e/€	0.28 kgCO <sub>2</sub> e/€	0.29 kgCO <sub>2</sub> e/€
	GHG emissions intensity - per FTE	305-4	SDG 13	ESRS E1				55.41 tCO <sub>2</sub> e/FTE	54.65 tCO <sub>2</sub> e/FTE	56.87 tCO <sub>2</sub> e/FTE
	Share of total collection that is lower-impact products	n/a	SDG 12 & 15	ESRS E1	95%	80%	55%	86%	76%	48%
	Volume of water consumption*	303-5	SDG 12	ESRS E3				10,464 m <sup>3</sup>	8,020 m <sup>3</sup> ***	12,728 m <sup>3</sup> ***
	Total hazardous waste in own operations	306-3	SDG 12	ESRS E2				24.2 t	18.9 t	20.7 t
	Total waste generated in own operations	306-3	SDG 12	ESRS E5				349.93 t	234.66 t	167.65 t
	Tier 1 suppliers with a BEPI audit	308-2	SDG 12	ESRS E1				34%	n/a	n/a
S	Tier 1 suppliers with a valid social audit	414-2	SDG 8	ESRS S2		90%	80%	87%	85%	70%
	Percentage of suppliers who have signed the supplier code of conduct	n/a	SDG 8	ESRS 2	100%			100%	100%	100%
	Tier 1 of suppliers with valid social audit that have a grievance mechanism in place	2-25	SDG 8	ESRS S2	100%			99%	67%	53%
	Tier 1 suppliers with a valid social audit providing their employees a living wage	414-2	SDG 8	ESRS S2	100%			32%	33%	32%
	Top 25% of Tier 1 suppliers (based on spend) with a valid social audit	414-2	SDG 8	ESRS S2	100%	100%	94%	100%	100%	93%
	Suppliers in the Apparel Collection supply chain (recycled content) with a valid social audit	414-2	SDG 8	ESRS S2	100%	100%	100%	100%	83%	n/a
	Complaints on total orders	n/a	SDG 12	n/a	0%	0%	0%	2.56%	0.02%	0.02%
	Safety complaints by customers	416-2	SDG 12	ESRS S4	0	0	0	7	9	6
	Incidents associated with work-related injuries, ill health and fatalities of own workers	403-10	SDG 8	ESRS S1	0	0	0	2	0	15
	Number of reported incidents of discrimination or harassment	406-1	SDG 8	ESRS S1	0	0	0	2	0	0
	Female ratio employees	405-1	SDG 8	ESRS S1				71%	70%	54%
G	Female ratio management board (Board of Directors)	405-1	SDG 8	ESRS S1				0%	0%	0%
	Female ratio supervisory board	405-1	SDG 8	ESRS S1				0%	0%	0%
	Female ratio top and middle management (excluding members of the Board of Directors)	405-1	SDG 8	ESRS S1				53%	n/a	n/a
	Employees who followed a Fair Business practices training	404-2	SDG 8	ESRS G1	100%	100%	100%	n/a***	100%	100%
	Number of reports received via the whistleblower procedure	2-26	SDG 8	ESRS G1	0	0	0	0	0	0
	Number of confirmed corruption incidents	205-3	SDG 8	ESRS G1	0	0	0	0	0	0

\* The Shanghai office is excluded from this KPI due to a lack of available data.

\*\* In 2024, we recalculated our 2022 CO<sub>2</sub> footprint for our SBTi submission using more accurate data that was not yet available in 2023. Consequently, this figure differs from the one published in last year's impact report and is more precise.

\*\*\* This figure differs from the one reported last year, as the previous calculation included only household water consumption. The current figure reflects the total amount, including water used in production processes and ground water consumption.

\*\*\*\* We have not tracked this KPI in 2024 due to our transition to a new e-learning platform. Tracking will resume in 2025.



## Annex 3: Connecting business to the SDGs

Some of the content below is sourced from the United Nations Global Compact resources. The [United Nations Global Compact](#) is an initiative focused on supporting corporate contributions to the SDGs. You can learn more about the SDGs at a global level on this dedicated [UN page](#).

SDG 12: Responsible consumption and production	SDG 13: Climate action	SDG 8: Decent work and economic growth	SDG 9: Industry, Innovation and Infrastructure	SDG 15: Life on land
GLOBAL GOAL	GLOBAL GOAL	GLOBAL GOAL	GLOBAL GOAL	GLOBAL GOAL
Ensure responsible consumption and production patterns, tackling topics like waste, fossil fuels, and company sustainability reporting.	Take urgent action to combat climate change and its impacts.	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
BUSINESS CONTRIBUTION	BUSINESS CONTRIBUTION	BUSINESS CONTRIBUTION	BUSINESS CONTRIBUTION	BUSINESS CONTRIBUTION
<ul style="list-style-type: none"> <li>Changing the process or manufacturing technique, for example to use less and/or renewable energy – as we did by installing solar panels at our decorating facility, Printmasters (<a href="#">see p. 15</a>).</li> <li>Changing input materials, for example using recycled or lower- impact materials – as we did with all our lower-impact products (<a href="#">see p. 22-26</a>).</li> <li>Making changes to the product design, for example to make products circular, or more easy to repair or recycle – as we did with the design of the repairable Lakewood earbuds and Irvine headphones (<a href="#">see p. 24</a>).</li> <li>Reusing materials on site.</li> <li>Publicly reporting on your sustainability initiatives and progress as a company – as we are doing with this report.</li> </ul>	<ul style="list-style-type: none"> <li>Develop sustainability targets and indicators – as we did by developing an ESG roadmap and monitoring and tracking several KPIs (<a href="#">see p. 56</a>).</li> <li>Use of life cycle assessment (LCA) in the development of new products –as we do by conducting an LCA for all products in our collection (<a href="#">see p. 14</a>).</li> <li>Work with product designers and suppliers to improve environmental performance – as we do by switching to lower-impact materials whenever possible (<a href="#">see p. 22</a>).</li> <li>Extend responsibility throughout the value chain – as we are doing by inviting suppliers to participate in the Amfori BEPI (<a href="#">see p. 20</a>).</li> <li>Ensure transparency and unbiased dialogue with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Provide a safe and healthy work environment, including zero tolerance for child or forced labour – as we do with our employees, who are covered by our health and safety management system (<a href="#">see p. 45</a>). Our Code of Conduct and Statement against child and forced labour (available on our website) apply to all workers, including those in our supply chain.</li> <li>Respect the freedom of association and right to collective bargaining – as we do with our employees, most of whom are included in a Collective Labour Agreement (<a href="#">see p. 42</a>).</li> <li>Expand your scope of responsibility to include supply chain workers – as we do by requiring our suppliers to adhere to the BSCI Code of Conduct and undergo a social audit (<a href="#">see p. 35-36</a>).</li> </ul>	<ul style="list-style-type: none"> <li>Develop innovations that fosters access to resources for all – Although not an innovation, our partnership with Water.org contributes to helping people gain lasting access to safe water and sanitation (<a href="#">see p. 32</a>).</li> <li>Make use of innovations in operations and manufacturing that positively affect impact – as we did at Printmasters to reduce water usage (<a href="#">see p. 31</a>) and manage waste (<a href="#">see p. 33</a>).</li> <li>Ensure growth is sustainable and inclusive – as we do by constantly working to reduce the footprint of our products (<a href="#">see p. 11</a>) and by supporting diversity and inclusion among our employees (<a href="#">see p. 43</a>).</li> </ul>	<ul style="list-style-type: none"> <li>Develop a code of conduct that confirms commitment to care for health and the environment – these commitments are reflected in our core values (<a href="#">see p. 5</a>), as well as in several internal policies.</li> <li>Apply the precautionary principle, in particular in regards to production processes and products around which high level of uncertainty, potential harm and sensitivity exist.</li> </ul>
				

Annex 4: GHG disclosures of the Holding

GRI Disclosure	Description	Quantity 2022 (baseline)	Quantity 2023	Quantity 2024	Unit
GRI 302 – 1	Total energy from fuel consumption	3,031.06	6,402.07	5,771.76	GJ
	Diesel	1,239.93	2,154.15	1,337.80	GJ
	Petrol	467.7	1,033.05	1,462.04	GJ
	Natural Gas	1,284.2	3,209.49	2,949.44	GJ
	LPG	21.23	4.97	19.24	GJ
	Biodiesel HVO	n/a	0.41	3.24	GJ
	Total energy from electricity consumption	5,377.5	5,790.02	4,138.21	GJ
	Total energy from purchased heating and cooling	86.28	1,194.16	886.53	GJ
	Total energy consumption	8,476.84	13,386.26	10,797.50	GJ
GRI 305 – 1	Scope 1 direct GHG emissions	287.31	463.62	349.99	tCO <sub>2</sub> e
GRI 305 – 2	Scope 2 indirect GHG emissions	434.58	481.38	436.36	tCO <sub>2</sub> e
GRI 305 – 3	Scope 3 other indirect GHG emissions	39,887.93*	38,796.66	40,990.60	tCO <sub>2</sub> e
GRI 305 – 4	Emissions per employee	56.87	54.65	55.41	tCO <sub>2</sub> e
	Emissions per revenue (€)	0.29	0.28	0.28	tCO <sub>2</sub> e

\*In 2024, we recalculated our 2022 CO<sub>2</sub> footprint for our SBTi submission using more accurate data that was not yet available in 2023. Consequently, this figure differs from the one published last year and is more precise.

# Annex 5: GRI content index

Statement of use

XD Connects has reported the information cited in this GRI content index for the period 01-01-2024 up to and including 31-12-2024 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	5,7
	2-2 Entities included in the organization's sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7
	2-6 Activities, value chain and other business relationships	5
	2-7 Employees	43
	2-9 Governance structure and composition	48
	2-10 Nomination and selection of the highest governance body	49
	2-11 Chair of the highest governance body	48
	2-12 Role of the highest governance body in overseeing the management of impacts	50
	2-13 Delegation of responsibility for managing impacts	50
	2-14 Role of the highest governance body in sustainability reporting	50
	2-15 Conflicts of interest	51
	2-16 Communication of critical concerns	51
	2-17 Collective knowledge of the highest governance	49
	2-18 Evaluation of the performance of the highest governance body	49
	2-19 Remuneration policies	49
	2-20 Process to determine remuneration	49
	2-22 Statement on sustainable development strategy	3
	2-23 Policy commitments	37
	2-24 Embedding policy commitments	50
	2-25 Processes to remediate negative impacts	56
	2-26 Mechanisms for seeking advice and raising concerns	51
	2-28 Membership associations	36
	2-29 Approach to stakeholder engagement	46
	2-30 Collective bargaining agreements	42

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	8
	3-2 List of material topics	9
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	35
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	56
GRI 303: Water and Effluents 2018	303-5 Water consumption	31
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	56
	305-2 Energy indirect (Scope 2) GHG emissions	56
	305-3 Other indirect (Scope 3) GHG emissions	56
	305-4 GHG emissions intensity	56
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	33
	306-2 Management of significant waste-related impacts	33
	306-3 Waste generated	56
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	20
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	43
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43



GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system	45
	403-2 Hazard identification, risk assessment, and incident investigation	45
	403-5 Worker training on occupational health and safety	45
	403-8 Workers covered by an occupational health and safety management system	45
	403-9 Work-related injuries	45
	403-10 Work-related ill health	45
<b>GRI 404:</b> Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programmes	51
	404-3 Percentage of employees receiving regular performance and career development reviews	44
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and Employees	48
	405-2 Ratio of basic salary and remuneration of women to men	43
<b>GRI 406:</b> Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	56
<b>GRI 407:</b> Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	37
<b>GRI 408:</b> Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	37
<b>GRI 409:</b> Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	37

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 414:</b> Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	35
	414-2 Negative social impacts in the supply chain and actions taken	56
<b>GRI 416:</b> Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	38
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	56
<b>GRI 417:</b> Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling.	30
	417-2 Incidents of non-compliance concerning product and service information and labelling	30
	417-3 Incidents of non-compliance concerning marketing communications	51
<b>GRI 418:</b> Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38

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