

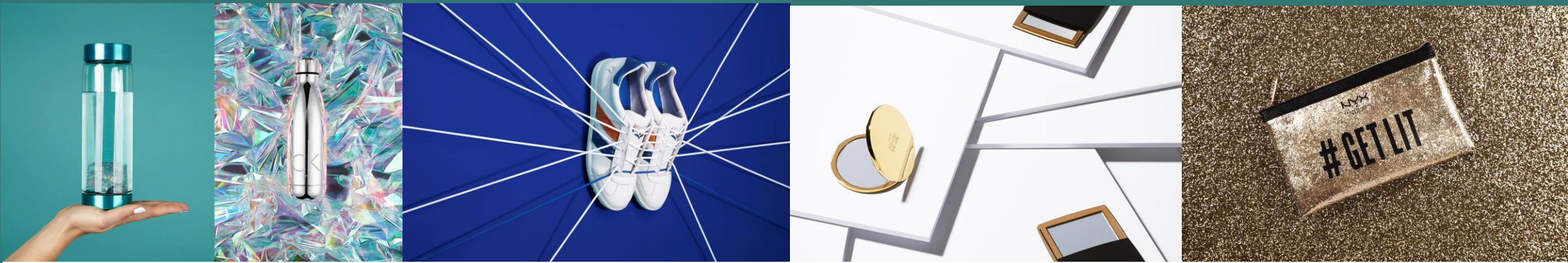
2021
BE GREEN
AND YOU'LL BE
GROWING!

ANNUAL CSR REPORT 2021

XLCONCEPT®

WHO WE ARE - WHAT WE DO
RESPONSIBLE SOURCING
CSR PERFORMANCE
THERE IS NO PLANET B
A WORD FROM ONE OF THE MANAGING DIRECTORS
OUR COMMITMENT
OUR SCORECARD
OUR CONTRIBUTION AND SOCIAL ENGAGEMENT

XLCONCEPT®



WHO WE ARE

Since 1999, we design, develop, manufacture and deliver products on behalf of our customers. Most products are tailor-made and branded. Our customers are multinationals or local companies operating in various sectors such as FMCG, Luxury Cosmetics, Banking or the travel industry.

HQ in The Netherland, 4 other offices in 3 continents, +/- 50 employees.

OUR VISION

- The power of ideas;
- The strength of adding value to your brands;
- The spirit of excellence;
- The importance of a passionate team!

OUR MISSION

To be the most preferred global partner of innovative and sustainable branded merchandise services, supported by e-solutions.

OUR VALUES

Reliability - Innovation & entrepreneurship - Customer oriented -
Collaboration and partnership - Creativity

WHAT WE DO

EFFECTIVE MERCHANDISE THAT BOOSTS OUR CLIENTS' BRANDS

- ✓ Thinking outside the box, into their budget
- ✓ Designed, sourced and produced in a responsible way
- ✓ No stress; on time, good quality
- ✓ Passion, Love, Excitement for the brands
- ✓ Our challenge to exceed expectations

DESIGN

Our design process begins even before a client reaches out to us. The experiences and impressions we gain in daily life feed our creative processes and makes us understand the trends.

We craft concepts into powerful products, but it's so much more than that. It's a state of mind. It's an approach to a problem.

Design is not just what it looks like & feels like.

Design is how effective it is.

SOURCING RESPONSIBLY



SEDEX AB-member
Supplier Ethical Data
Exchange



Amfori BSCI Member
Business Social
Compliance Initiative



Amfori BEPI Member
Business Environmental
Performance Initiative



PPAI member
Promotional Product
Association International



PPP Member
& adherence to their Code of Conduct



RESPONSIBLE SOURCING

We know our factories. We grow and learn together in addition to meet our client's increasing requirements for social and environmental compliance standards.

Of course, we don't inspect our own merchandise ourselves, we have very competent 3rd party companies to do that for you. But only when we believe our job is well done. No destination is too far for us; with our logistic expertise we promise a seamless delivery and execution.



CSR PERFORMANCE

To monitor and measure our CSR performance, we are assessed by EcoVadis on yearly basis. EcoVadis provides Corporate Social Responsibility (CSR) ratings service of companies, delivered via a global cloud-based SaaS platform.

In 2020, we have been awarded the Platinum Medal with a score of 78/100. With this score, XLCONCEPT belongs to the top 1% of all companies assessed by EcoVadis in our industry!



**THERE IS
NO
PLANET B**

Choose your tomorrow, believe in the future.
It's a slow process but not joining won't speed it up.
What you do makes a difference, and you have to
decide what kind of difference you want to make.

Therefore, we are continuously reviewing our
processes, materials and operational concepts from
a different perspective in order to include
sustainability.

In our product design.

In our procurement.

In producing our products.

In packing and shipping them.

Sustainability has a broad support within our
organization with a dedicated CSR team including
members from all divisions (Management Team,
Sales, Design, Sourcing & Procurement).

XLCONCEPT®

A WORD FROM OUR MANAGING DIRECTOR

At XLCONCEPT we are always committed to conduct our business in a responsible and sustainable way. We have integrated the management of this objective into our strategy and operational behavior, which is beneficial to all stakeholders, the environment and the community.

For over 20 years, we develop and provide innovative branded merchandise and services that meet the needs of our customers and add value to their brand. In the last years, we have included sustainability into these developments. By performing in full transparency and in the most social and sustainable manner, it allows us to enact positive change. We choose to do what is right not only for our bottom line but also to be selective and give proper guidance to our whole supply chain. Our ethical values are brought together in the XLCONCEPT Code of Ethics to inform our stakeholders about our ethical commitments, and we expect our partners to adhere to the same environmental and social values. By offering this transparent communication about our own goals and achievements we build trust, awareness and encourage social change.

In 2017 we joined the EcoVadis initiative to ensure that we continuously monitor our progress and offer our customers transparency along the supply chain. In 2018 and 2019 we achieved the EcoVadis Gold status, and in 2020 we have been awarded the Platinum recognition, with this rating we belong to the top 1% of the best scoring companies within our industry. We devote our efforts to support the principles of the UN Global Compact and for 2021 we will focus on the following 4 UN Sustainable Development Goals;



Joris Albers
Managing Director

A WORD FROM OUR MANAGING DIRECTOR

We recognize 5 key areas that contribute to our corporate social responsibility:

Our customers

We continuously work to ensure that we are providing the best proposition to our customers to meet their needs but with the lowest environmental impact possible. Continuous review of our processes and product offerings, including green and sustainable items, ensures the best possible service given the parameters we have to work with.

Our people

We respect and value the things that guarantees our staff being true individuals and we are committed to creating a culture of inclusion and diversity. We provide access to training for all staff to put them in the best position to do their job well, and fulfil their potential. We believe that supporting individual growth and development helps us attract and retain talented individuals.

Our local communities

We believe in and support our local communities. We are keen to support colleagues who volunteer or fundraise for charity and can provide time off and company support to facilitate time in the community. For example for several years we have been supporting Stichting Jarige Job and every year we have a joint voluntary day with NL Doet, which unfortunately could not proceed in 2020 because of the Covid pandemic.

Our suppliers

Our reputation is very important to us and to help protect this, we do not do business with any organizations that do not share our commitment in dealing with stakeholders fairly and ethically. Our approach to procurement is based on the principles of competitive tendering and dealing with suppliers in a fair and open manner. Given the complexity of our supply chain we put in place a maximum of traceability of our products, and the way they are produced.

Our environment

We believe in the principle of caring for the environment and continuously strive to incorporate environmental good practice into our workplace, taking a sustainable approach to waste management and minimizing our use of resources across the business. We have a CO2 compensation policy in place which for the last years has resulted in offsetting the emissions resulting from our business operation. We are now looking into expending this the emissions resulting from our clients orders. We actively support our partner factories in implementing environmental friendly ways of working and guide them towards a higher level of awareness and readiness for future productions. We recognize our responsibility to do business in a manner that protects and improves the environment for our future generations.

Joris Albers - *Managing Director*

OUR COMMITMENT

to uphold the Ten Principles of the UNGC, the Sustainable Development Goals (SDGs), and the Women's Empowerment Principles has helped us to develop and implement our sustainability strategy. At XLCONCEPT we aim to support all 17 of the UN's Sustainable Development Goals, but we prioritise the following 4 because of their relevance to our business operations;



We are committed to ensure that the products we purchase, and supply are safe and comply with all applicable regulation such as REACH.

We recognize our responsibility with regards to Consumer Health and Safety, therefore continuously update and improve our quality procedures.

Moreover, it is our responsibility to protect our employees and the employees of our suppliers; we provide a safe working environment and conditions in our offices and engage with our suppliers to make sure they have adequate Occupational Health and Safety procedures in place.

We are committed to make XLCONCEPT a positive and stimulating company to work, and that our suppliers provide decent working conditions for their employees with a fair wage and strong employee rights. Our employees and our suppliers are our greatest assets. We continuously invest in creating a supportive and innovative culture, and we work hard to make sure that our suppliers uphold our values throughout the entire supply chain.

We are committed to responsible consumption and production by reducing the material footprint of the products we purchase and supply.

We ensure products are sourced and produced responsibly, while also helping our clients to look at more sustainable forms of consumption.

We promote sustainable material and product choices, while engaging with our supply chain to ensure productions are feasible.

We are committed to protect and restore terrestrial ecosystems, forests and land in general.

We look for ways to reduce our impact or to compensate for the effect that we have caused.

We have a waste management system in place to monitor our waste and dispose of it responsibly, at the same time we engage with clients and suppliers to minimize waste cause by packaging.

To offset our carbon footprint, we have chosen reforestation programs.

OUR SCORECARD – sustainability performance & targets

	PERFORMANCE			TARGETS		SDG
	2018	2019	2020	2021	2022	
ENVIRONMENT						
We're taking action to responsibly reduce greenhouse gas emissions and manage our environmental footprint, while providing customers with secure and affordable products.						
% of CO2 emission related to direct business operations compensated	70%	75%	85%	>90%	>95%	15
% of sustainable products offered (at least 1 alternative)	<5%	12%	60%	>75%	>85%	12
% of sustainable products sold	<5%	17%	42%	>50%	>60%	12
% of our electronic waste disposed of responsibly with certified partners	70%	80%	100%	100%	100%	15
Number of products recalled	0	0	0%	<1%	<1%	3
SUPPLY CHAIN						
We differentiate ourselves by our strong supplier relationship management to manage risk, deliver strong customer products, manage costs and build our business for the future.						
% of all suppliers adhering to the XLCONCEPT Code of Conduct	73%	99%	98%	100%	100%	8
% of all suppliers agreeing with the XLCONCEPT Supplier Policies	n/a	75%	81%	>85%	>85%	8 & 12
% of all suppliers having valid recognised audit reports (such as SEDEX, BSCI...)	50%	68%	72%	>75%	>75%	8 & 12
% of strategic suppliers reporting on CSR performance	n/a	83%	96%	>98%	>98%	8 & 12
PEOPLE						
We are focused on attracting, developing and retaining the right talent to build a safe, engaged and performance-driven culture. Our people are our greatest assets – that's why we're committed to making XLCONCEPT a great place to work.						
Number of Health & Safety incidents	1	1	0	<5%	<5%	3
Number of reported incidents on discrimination and/or harassment	0	0	0,0	<1%	<1%	8
Number of reported incidents related to diversity and inclusion	0	0	0	<1%	<1%	8
Employee participation to CSR awareness training	50%	68%	75%	>80%	>90%	8
Employee participation in the Personal Development Plan	n/a	n/a	14%	>25%	>40%	8
Employee participation employee surveys	n/a	n/a	95%	>95%	>95%	8
Employee participation to Company Events (online events included)	60%	60%	85%	>80%	>80%	8
COMMUNITES & RELATIONSHIPS						
XLCONCEPT strives to make a net positive social, economic and environmental contribution to the communities in which we operate. This requires genuine, effective engagement with all our stakeholders – including customers, the community, governments and regulators, investors, suppliers and partners, NGOs, and our people.						
Number of Industry association memberships	4	7	7	>8	>8	8 & 12
Employee volunteering participation	n/a	n/a	n/a	>15%	>30%	3
Number of charitable causes contributed to	4	4	5	>6	>6	3

Setting sustainability targets is important to drive continual improvement, set benchmarks for behaviours, and demonstrate transparency to our stakeholders. In 2020 we established a total of 19 targets relating to a range of topics, such as: the environment, our supply chain, our people, how we operate and our community. Our scorecard shows our progress compared to previous years and shows the new targets that have been set to guide our performance in 2021 and beyond. Moreover, the scorecard shows how these achievements and targets contribute to the SDG's we have defined as priorities.

OUR CONTRIBUTION / SOCIAL ENGAGEMENT

We always look for ways to give to community organizations and charitable causes that matter to us, by giving money, obsolete products or volunteer hours. Herewith a few examples of our charitable outreach efforts to good causes.



TREES FOR ALL

Trees for All is the most experienced carbon offset provider in the Netherlands and the only foundation in the Netherlands with CBF certification offering CO2 offset through sustainable forest projects.

All projects are certified and guarantee the amount of carbon dioxide absorbed. In 2019, XLCONCEPT has supported Trees for All by offsetting our carbon emissions resulting from our 2018 business operations, in total 271,88 tonnes of CO2. And we will continue doing so in 2020.

The project we have supported is a project in the Kibale National Park in Uganda, by planting new forest in Uganda, we are extending the habitat for animals, protecting primaeval forest and making a positive climate contribution.

The projects of Trees for All contribute to Sustainable Development Goals Nr 1, Nr 13 and Nr 15.



STICHTING JARIGE JOB

There are 61,000 children in the Netherlands who cannot celebrate their birthday because there is no money at home. The Jarige Job Foundation helps these children by giving them a birthday box worth € 35. This contains everything needed for a real birthday at home and at school! Suitable samples are donated to Stichting Jarige JOB which are used as birthday gifts or included in the birthday box.



RAAMWERK

Raamwerk offers support and guidance to more than 750 clients, of all ages, with an intellectual and / or physical disability. This happens in the area of living, day care and (para) medical care.

Suitable samples are donated to Raamwerk, they always seem to find a new use for almost every item



REFOREST'ACTION

Reforest'Action is a social enterprise founded in 2010 whose mission is to:

- Preserve forests
- Restore forests
- Raise awareness on the power of forests and the need to protect them by reducing individual and organization's carbon and forest footprints

Since 2010, Reforest'Action has:

- Planted more than 4 million trees
- Gathered more than 120,000 planters
- Generated a positive impact on the living conditions of more than 30,000 people around the world



STICHTING OPKIKKER

The Opkikker Foundation raises funds to organize fun days for long-term sick children and their families. With the much-needed distraction, the family can enjoy a special day and for a moment forget about the illness.

At XLCONCEPT, we collect the empty cartridges. These cartridges are recycled, and the proceeds are donated to Stichting Opkikker.



XLCONCEPT[®]

PILOTENSTRAAT 41B - 1059CH
AMSTERDAM - THE NETHERLANDS
+31 (0)20 794 2000
www.xlconcept.com