

At XD Connects we have ESG embedded in our company strategy and mission statement. Additionally, we have launched an ESG Roadmap, which will guide our ESG activities in the coming years, with goals set up to 2030. We realize our responsibility towards ethical and environmentally friendly practices and are working toward changing and inspiring our industry to move forward.

E for Environmental

Under Environmental, we have a clear focus on Carbon emissions, we have measured the company emissions for several years on scopes 1, 2 and 4, improving on accuracy and data quality over the years.

Our ambitions

- Reduce our scope 1 and 2 emissions by 40%, based on our 2021 baseline year, in line with SBTi

Status: we changed our baseline year to 2022, because this represented figures that are more complete and obtained the official validation of our targets from SBTi.

Reduction of scope 1 and 2 emissions is ongoing and further results will be published in our 2024 ESG report.

- Achieve a Climate Neutral business in 2030 by reducing and offsetting emissions. Offsetting will be done by an annual 11% increase in offsetting

Status: Reducing emissions in an ongoing project on which results will be published in our 2024 ESG report. Offsetting over 2023 increased to covering 22% of our company footprint through validated projects.

- Reduce the use of virgin materials in our products and replace them by traceable recycled or responsibly sourced content, reducing the pressure on natural resources and lowering CO2 emissions. We have yearly goals, which started with 30% in 2022, leading up to at least 95% in 2030.

Status: In the past year, we added more lower impact products to our collection that use recycled materials or are from a responsibly managed source. The target for 2023 was 55% where we realized 76%. We avoided a total of 1800 TCO2e by using recycled materials.

S for Social

Under Social, we focus on Human Rights ambitions, especially in our supply chain. We already have a social audit program in place and aim to extend that in the coming years.

Our ambitions:

- By 2025 90% of all Tier 1 vendors have a social audit, extending to 100% in 2030 (or earlier if possible)

Status: By mid-2024, 87% of our Tier 1 vendors have a valid social audit.

- 100% of our top 25% vendors (based on order value) to have a social audit

Status: By mid-2024, 100% of top 25% vendors have a social audit.

- By 2030 we will have a grievance mechanism in place for the Supply chain
- By 2030 Tier 1 workers in the supply chain will be paid a living wage

Status: these are longer term projects for which we have made a start with research and monitoring to understand what the current status is and where the challenges lie going ahead.

G for Governance

Under Governance, we have a focus on transparency and embedding ESG in all layers of the organization. We have set up an organizational structure within the company to monitor progress (available in our ESG impact report 2023) and facilitate decision-making.

Our ambitions

- Issue an annual ESG report according to GRI standard and principles

Status: latest report over 2023 published and available in the library on our ESG website.

- Issue an annual CFP report according to GHG standards

Status: Our Carbon Footprint Report (GHG report) over 2023 is available in the library of our ESG website.

- Commit to and report on Science Based Targets

Status: we committed in September 2023 and received approval and validation of our targets from SBTi in May 2024. We are registered on the SBTi website in the Target Dashboard.

- Perform annual external assessment (Ecovadis or similar)

Status: In 2023, we obtained a Gold status on our Ecovadis assessment, the 2024 assessment has been submitted and is still in process of evaluation by Ecovadis.

To reach these ESG ambitions a whole range of projects is in place, implemented by the ESG department and other departments throughout the company and various entities.

We share our Roadmap, our ambitions and other relevant ESG information transparently on www.esg.xdconnects.com. In the library section of our website we share reports, certificates, CoC and other relevant documentation.



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