

xd connects

Modern Slavery Act
Statement

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1. Structure, business and Supply Chain

XD Connects is an important player in the Corporate Gifts industry. We were founded in 1986 and have grown and changed a lot since then into the ESG focused company we are today.

XD Connects has its own operations in several countries: a head office in The Netherlands, several offices in European countries (UK, Spain, Italy, Sweden), a production location in Romania and an office in Shanghai. Over all our company has around 700 employees.

We source our products mostly from Asia, mainly from China, and furthermore from Bangladesh and India. We are however also researching more production options in Europe, where we currently have one supplier.

From these countries, our products are shipped to a warehouse in Romania, decorated if so required by the customer and shipped from there all over the world, our focus market is Europe.

We have the responsibility to ensure that the gifts we sell are responsibly sourced and that we uphold not only our own sourcing principles but also align with the UN Guiding Principles on Business and Human Rights, which form the basis of several of our policies

We aim for more transparency in the supply chain, especially on Human Rights. The requirement for a social audit by a third party is embedded in the purchase agreement signed by our suppliers. Since several years this is a strict requirement for new vendors, we are steadily catching up with our existing vendors where over 70% is currently audited.

2. Ambitions and goals

We have several tools in place to share our policies and monitor progress. XD Connects has had a Code of Conduct for many years, which we keep updated and make available on our ESG website.

Focus points of our social/Human Rights goals are:

- Supplier engagement; we invest in a good and long-term relationship with our suppliers. Based on mutual trust and engagement. We support our suppliers for example in improving their human rights 'score'.
- Partnerships: we are actively involved with Amfori BSCI for social audits. Amfori furthermore also advocates for improvement in Human Rights.
- Grievance mechanism; goals set in our ESG Roadmap for a grievance mechanism in our supply chain by 2030
Currently a grievance mechanism is provided via Amfori BSCI audit requirements.
- KPI's: we currently measure 11 Social/Human Rights KPI's to support the ambitions in our ESG Roadmap and provide transparency on our progress.

3. Due Diligence

The biggest risk for Modern Slavery is in our supply chain. Until now, we have focused mainly on our Tier 1 suppliers, with which we are in direct contact. However, we have set goals to map our entire

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supply chain, for which first steps have been made in 2023 to devise a working-process for gathering supplier data further along the Supply Chain. Mapping the supply chain will give us better understanding of the length of the 'chain', the countries involved and the risks.

We use various sources already to guide our understanding of the Human Rights risks, such as social audits and resources provided by Amfori. Other resources that we have available are MVO Nederland Risico checker. These tools provide a more general risk assessment profile based on countries, product groups etc.

Per the issuing of this statement, no modern slavery was identified in audits and assessments performed by independent 3rd parties.

4. Implemented policies

Within our company we have implemented many ESG related policies, of which several have a focus on Human Rights or contain reference to it as part of the main topic of the policy.

- Supplier Code of Conduct; required to be signed by a suppliers as part of the purchasing agreement.
- Responsible Sourcing Policy; ensures that several Human Rights requirements are taken into consideration when sourcing products.
- Child and Forced labour policy; confirming our intentions and efforts not to engage in Child- and Forced labour
- Auditing Policy; in which we confirm that any child or forced labour findings in audits will result in a zero-tolerance protocol being launched, with assistance of a third party.

5. Key performance indicators

We have not set separate Modern Slavery performance indicators, but they are part of our overall Social /Human Rights ambitions and goals. As mentioned earlier in this statement we do have goals on:

- Grievance mechanism for the full supply chain by 2030
- All Tier 1 workers in the supply chain are paid a living wage by 2030 (currently they are all paid minimum wage as a requirement which is present in the Social audit).
- In 2030 100% of our Tier 1 suppliers should have a third party social audit (we expect to reach this target sooner) – hopefully to expand to Tier 2 suppliers
- We track improvement in Human Rights/Social audits compared to previous audits
- Percentage of suppliers signed the Code of Conduct

Progress towards our goals will be published in our Annual ESG Impact report.

Signed on behalf of the Board of Directors of XD Connects,



Albert van der Veen CEO

