



STATEMENT OF NON-FINANCIAL INFORMATION - SUSTAINABILITY REPORT - (ESG)



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Article 3:6 §4 of the Belgian Companies and Associations Code is not applicable to smartphoto group since the threshold of an average workforce of 500 employees was not exceeded during the fiscal year.

On 28 November 2022, the Council of the European Union adopted the 'Corporate Sustainability Reporting Directive' (CSRD), published in the Official Journal of the European Union on 14 December 2022.

For smartphoto group, as a large listed company with less than 500 employees, the sustainability report has to comply with the CSRD directive, and report in accordance with the ESRS standards (European Sustainability Reporting Standards) as of 2026, over financial year 2025.

Apart from this, smartphoto group is voluntarily compiling this sustainability report because it is convinced that by doing so it contributes to increasing collective commitment to sustainability.

About smartphoto group

Smartphoto group is, under the brand name smartphoto™, active in B2C e-commerce offering affordable, high quality personalised products such as gifts, cards, photo books, photo calendars, prints and wall decoration. Our mission is to help socially active young mums and families create and give affordable, high-quality personalised products using smart and simple apps and websites. We only deem our mission successful when you can transform your pictures into unique personal products without too much effort.

This also means that our products have to be of high quality, but also need to be affordable. The products of smartphoto should not only be fun to make, they should also be fun to receive and share.

Furthermore, smartphoto group is, through naYan, active in B2B e-commerce, one of the market leaders in e-commerce distribution in Europe by offering a unique 'E-commerce as a Service' (EaaS) for international brands looking for growth, and the sale to companies of personalised gift packages with chocolate, alcohol, fruit or flowers through websites such as Gift.be and GiftsforEurope.com.

At naYan, an international team of omnichannel specialists is dedicated to help brands sell directly to their end-consumers. An entrepreneurial and ambitious team uses its knowledge and experience to generate data-driven, sustainable and profitable growth for the brands with whom they work. In addition to this 'E-commerce as a Service', naYan also offers, through Gift.be and GiftsforEurope.com, additional services to companies such as individual or grouped delivery of large quantities of gifts, personalised packages and gifts, and complete loyalty programmes for customers or employees, and all of this with delivery in Belgium or across Europe.

More information about the activities and the markets on which the smartphoto group is active, can be found on pages 11 to 21 of this Annual Report.

The general risk factors related to the Company's business activities are described in the report of the Board of Directors under the Corporate Governance Statement under the heading "Risks and internal control" on pages 44 to 46 of this Annual Report.

About the sustainability policy

Smartphoto group is committed to corporate social responsibility, with attention to economic added value and respect for people and the environment. We therefore want to strengthen our commitment to sustainability, which is part of the corporate strategy. To further implement the sustainability policy, a roadmap was developed in 2021 with the appointment of a Sustainability team reporting directly to the CEO.

For smartphoto group, the policy is not limited to achieving the financial objectives. The proposed social and ecological objectives also form part of the strategy. These objectives are partly determined by the mission, the company values and the core of the business activities.

Sustainable Development Goals of the United Nations

In order to build up a clear reference frame around our sustainability policy, smartphoto opted in 2021 to develop an action plan within the Voka Charter for Sustainable Entrepreneurship ('VCDO'). The basis of this plan is the model of the United Nations Sustainable Development Goals (SDGs).

Meanwhile, the evaluation committee of the 'VCDO' conducted its audit and concluded positively. This committee awarded smartphoto the certificate of "Laureate 2022 Sustainable Business" in recognition of our sustainable business practices.

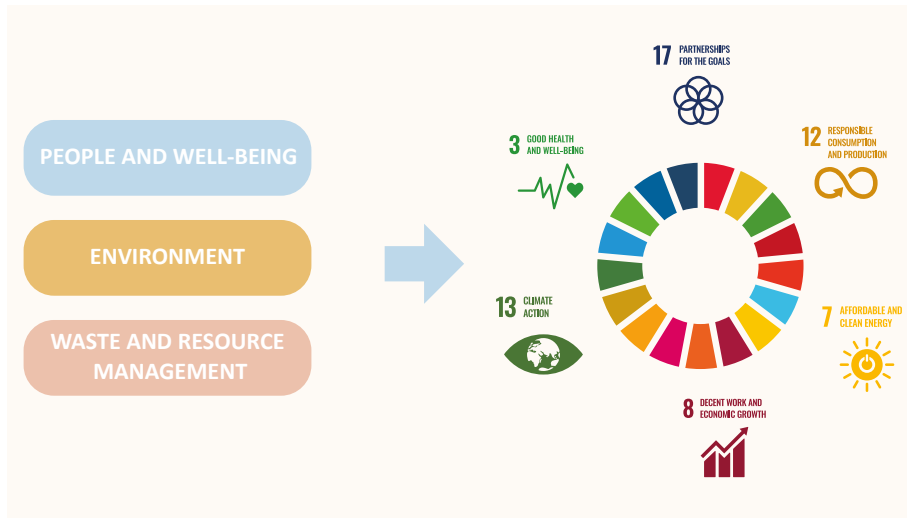
Sustainability at smartphoto

To determine the content of this report, the management conducted an analysis that, on the one hand, took into account the positive or negative impact of smartphoto group's activities on the environment and society. On the other hand, the analysis took into account sustainability-related risks that could have a material impact on our activities. From this, 6 targets were retained within the following three areas: People and well-being, Environment and Waste and Resource management.



OUR DOMAINS

OUR FOCUS SDGs



2022 achievements

People and well-being

- Investigating for a health programme for employees
- Promoting the importance of healthy food
- Conducting ethical business practices among our suppliers
- Supporting local initiative for people in need



- 3 Promoting mental health and well-being
- 3 Ensuring healthy lives and promote well-being at all ages
- 12 Ensuring that people are aware about lifestyles in harmony with nature
- 8 Promoting decent work for all
- 8 Taking action to eliminate forced labour and to end child labour
- 17 Encouraging and promoting effective public, public-private and civil society partnerships

Environment

- Increasing the sustainability awareness with 2-monthly workshops
- Implementing bicycle lease plans for all employees
- Installing a new bicycle shed
- Reducing energy consumption by 5%
- Installing solar panels



- 12 Encouraging to adopt sustainable practises and to integrate sustainability information
- 12 Reducing emissions to air, water and soil
- 3 Ensuring healthy lives and promote well-being at all ages
- 8 Improving global resource efficiency in consumption and production
- 7 Increasing the share of renewable energy
- 13 Improving awareness relating to climate change

Waste and resource management

- Increasing knowledge on CO² calculations
- Measuring CO² footprint
- Shipping CO² neutral for 65% of our packages
- Reducing consumption of paper in the production
- Promoting local production
- Replacing packaging materials with more sustainable variants
- Analysing silver recovery and chemical waste from the silver halide process
- Sharing ideas on recycling



- 12 Reducing emissions to air, water and soil
- 12 Integrating sustainability information into the reporting cycle
- 12 Reducing waste generation through prevention, reduction, recycling and reuse
- 8 Improving global resource efficiency in consumption and production
- 12 Achieving environmentally friendly management of chemicals and all waste throughout their life cycle
- 17 Sharing knowledge, expertise, technology and financial resources relating to sustainable development

People and well-being



Our employees

Health and safety

A lot of employees spend a large part of the day at work, together with their colleagues. Smartphoto ensures that this working time is as safe and healthy as possible.

The following measures are some examples for health and safety within the group:

- In the production department, operating and safety instructions have been developed for all machines.
- Employees are obliged to use all personal protective equipment (e.g. safety goggles, safety shoes, etc.) as required during the job, in accordance with the instructions provided.
- Smartphoto is offering all of its employees the opportunity for a free flu vaccine in the fall.
- Through preventive and corrective measures, we continuously strive to monitor and improve ergonomics, for example by investing in custom-made ergonomic packing tables. Furthermore, in the month of November 2022, an informative session was held on ergonomics at the desk in the office and at the home workplace. Good ergonomics prevents and remedies health problems. To give employees additional support in this, smartphoto group also offered the possibility of ordering the right materials so that the workplace in the office and at home can be ergonomically equipped.
- We raise awareness among our employees about work-related stress and burn-out.
- Across the two plants in Wetteren, there are 20 employees with the certificate of First Aid industrial helper. They receive regular refreshment training so that they can provide first aid in cases of emergency.
- A policy was developed around the use of dangerous chemicals at the workplace. The company responsible for cleaning the offices and production buildings in Wetteren uses environmentally friendly products, both for daily interior cleaning and for cleaning the sanitary facilities, and has the ISO 14001:2015 certification (highest award concerning “Attestation of Sustainable Development” organised by the General Belgian Cleaning Union).

In 2022, considerable attention was given to promoting the importance of healthy eating. This was achieved, among others, by organising vegan workshops, providing vegetarian and vegan alternatives during company events, and regularly providing fruit and fresh soup for employees.

Modernisation of business infrastructure

Part of the offices at Kwatrecht (Wetteren) was modernised in 2021 to improve the working environment for employees and to utilise unused infrastructure. In the process, plenty of natural light was brought into the offices.



In 2022, it was decided to renovate the dining area and adjacent areas for employees in Kwatrecht, Belgium. The design of this renovation project was based on creating an attractive, sustainable and healthy place for a qualitative lunch break, where cosiness and tranquillity ensure greater well-being. The adjacent areas will be fleshed out with a multi-purpose room equipped with all the facilities needed to organise receptions, staff parties or meetings for large groups; a sanitary block with showers for employees coming to work by bike; and meeting rooms equipped with the latest communication technology.

Work-life balance

Because a good atmosphere at work is only possible if everything is also fine at home, smartphoto guarantees an optimal work-life balance. Most of our employees have flexible working hours: an employee can choose when to start and stop working. He/she can decide to work more hours on certain days and less on others. With the help of a time registration system, everything can be measured objectively.

Homework is also allowed for those departments where it is possible, with a maximum of 50% per week. Agreements are made per team to schedule certain days on which the majority of people come to work, in order to keep the group spirit high.

Career development and employee training

Smartphoto supports the career development of its employees and offers them a training package. A career path is mapped out for both white-collar and production employees. This consists of various components such as salary structure, transparency, objective parameters, growth opportunities and the provision of internal and/or external training.

Diversity of employees

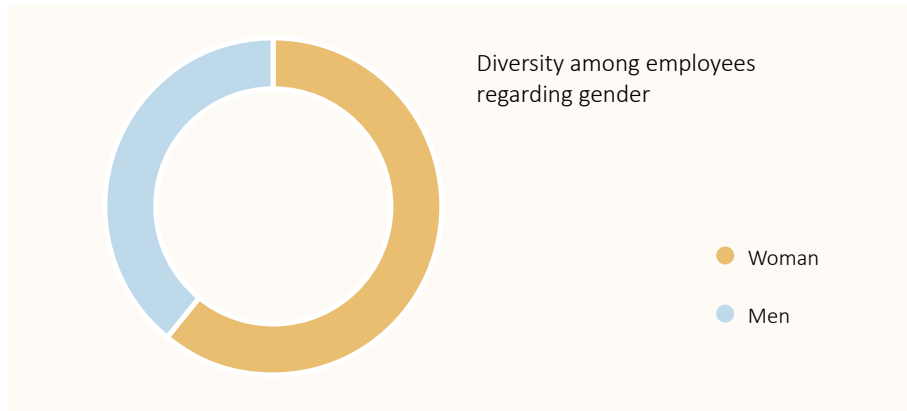
The focus on diversity is part of the HR policy of smartphoto as a group. Offering equal opportunities and fair remuneration leads to a higher level of employee commitment.

Smartphoto values a dynamic work environment in which, in addition to the qualities and motivation of the employees, there is also sufficient diversity in terms of age, gender, orientation, disability, ethnic origin or nationality.

At group level, women represent 61% of the employees, compared to 39% men. At smartphoto, we have employees ranging in age from 19 to 69. 63% of the employees is younger than 45 years. Smartphoto employs different nationalities. However, the fact that the production activities and a number of support services are centralised in Wetteren (Belgium), and the naYan activities are carried out in Ardoois (Belgium), results in about 82% of the employees having the Belgian nationality. Our employees generally have long employment contracts. About one fourth of the employees are employed part-time.

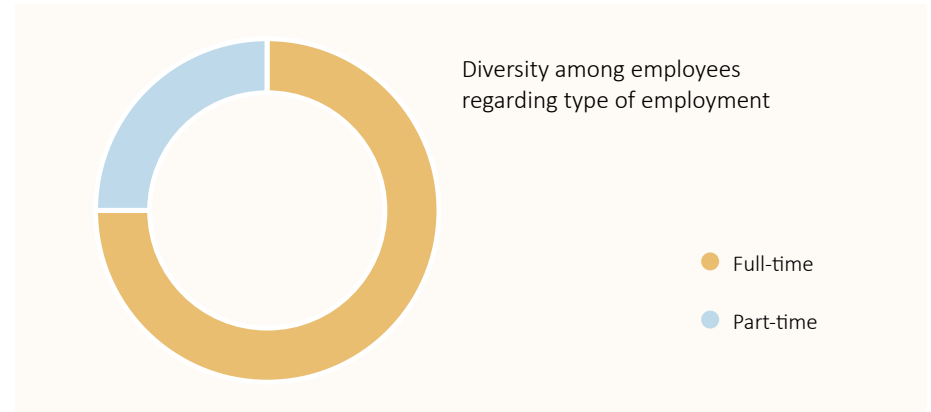
Diversity among employees regarding gender in FTEs

Gender	Woman	Men	Total
Number of employees	185	119	304
In % of total	61%	39%	100%



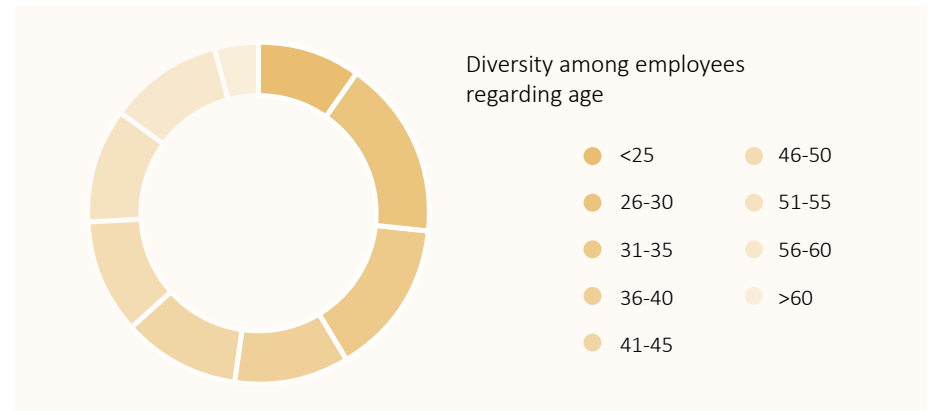
Diversity among employees regarding type of employment in FTEs

Type of employment	Full-time	Part-time	Total
Number of employees	229	75	304
In % of total	75%	25%	100%



Diversity among employees regarding age in FTEs

Age	<25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	>60	Total
Number of employees	31	50	45	34	32	32	35	33	11	304
In % of total	10%	17%	15%	11%	11%	11%	11%	11%	4%	100%



Diversity within the Board of Directors

The information regarding diversity in the Board of Directors is included in the Corporate Governance Statement on page 28 of this Annual Report.

Internal communication

Good communication is essential for things to run smoothly. At smartphoto, we want to provide our employees with more and better information about what is going on in our company.

Through the internal social intranet, smartphoto strengthens the group feeling, centralises all news and all information across the countries (where smartphoto's local teams are located), and provides a platform for a nice and optimal start of each employee's working day. Such a social intranet has a number of benefits, for example: increased employee engagement, more interaction between different departments, improved collaboration, good flow of information from management to employees and back, faster integration of new people into the organisation, and more information available when working at home.

Using Google Chat, communicating with employees on certain topics, common interests or projects is encouraged. This can be done one-on-one or in groups via Google Spaces, increasing the group spirit.

Not only attention is paid to communicating with each other digitally, but also to personal contact. Four times a year, a 'smartbreak' is organised where all employees are invited to a lunch that alternately takes place in both locations in Wetteren. This gives employees a chance to get in touch or catch up with colleagues from the other departments.

During the 'smartlunches', which take place about three times a year, our CEO, Stef De corte, has lunch with nine randomly selected employees. A perfect time to have a good chat in a small group about the ins and outs of the company, but also about any issues that arise.

Consultation with social partners

On a monthly basis, there are formal consultations with the Committee for Prevention and Protection at Work (CPBW) and with the Works Council. During these meetings, employees give feedback on the company's management. Thoughts are exchanged, leading to solutions for problems. The reports of the Works Council and the Committee for Prevention and Protection at Work are always accessible to the smartphoto employees.

Whistleblower policy

Through the company's whistleblower policy, all smartphoto group employees are encouraged to report their sincere suspicion of possible wrongdoing with respect to our business operations, and this both in the area of financial reporting and other serious irregularities, such as fraud, corruption, criminal violations, failure to comply with legal or regulatory obligations, endangering the health or safety of an individual, damage to the environment or concealment of any of the above.

The whistleblower policy pursues the following objectives: (i) to assure employees that they can report suspected wrongdoing without fear of punishment, and (ii) to provide a transparent and confidential process for dealing with such reports. In so doing, our values under the principles of fairness, honesty, integrity and respect are relied upon.

Cyber security

Our internal IT team monitors cyber security risks daily. Quarterly meetings are held with the finance team to discuss the measures taken, possible issues, as well as the reporting to the Audit Committee. Furthermore, our employees are trained to notice such risks through employee awareness initiatives, combining automated phishing simulations in combination with interactive training on cyber security. Additionally, guidelines on safe internet use are passed on at regular intervals.

Protection of personal data

Smartphoto group attaches great importance to the adequate protection of the security and confidentiality of all personal data of its current, former and possible future employees, as well as those of other persons, such as customers and suppliers.

Therefore, smartphoto is fully committed to comply with the requirements of the applicable data protection legislation. The purpose of the data protection policy, according to the European Regulation 2016/679 of 27 April 2016, hereinafter referred to as the General Data Protection Regulation or GDPR, is to further explain our general practices regarding the lawful processing of personal data, including the types of information we collect, how we use this information and how you can correct it. On the one hand, there is the internal policy on the processing of personal HR data that is available to our employees, and on the other hand, there is our General Privacy Statement to third parties, in particular to our customers. This is included on the smartphoto website. This General Privacy Statement also contains the rights and obligations of customers with respect to smartphoto. This statement is revised or updated periodically, and whenever necessary.

Our hardware and software are secured to prevent outside parties from accessing confidential data.

Great Place to Work®



Our employees clearly appreciate the many actions around sustainable entrepreneurship and the climate, our commitment to maintaining and increasing the connection between colleagues, and the informal and dynamic working environment where attention is also paid to an optimal work-life balance.

In September 2022, we launched an employee survey to all our colleagues within smartphoto group, including naYan and the foreign teams. The Trust Index employee survey is based on the five values of the universal Great Place to Work® model: respect, pride, camaraderie, fairness and credibility. Thanks to the results of this survey, which show that we meet the high standards for

what distinguishes a good workplace, smartphoto group may once again call itself a Great Place to Work®!

But what makes us a Great Place To Work®?

At smartphoto, we strive for happy customers, a goal we can only achieve through happy employees. Through our 'smile by smile' approach, we encourage everyone to put a smile on all faces.

With the feedback received from the survey, we are going to make sure to remain a great workplace, and become an even better one, 'smile by smile'!



Our customers

Through our motto 'smart.simple.smile' we help our customers to make affordable personalised products of high quality. The customer's needs are always our main focus. We regularly survey the satisfaction of our customers. Via the Net Promoter Score (NPS) we measure what our customers really want, and on the basis of their comments we can make adjustments and incorporate improvements that will further increase our customers' satisfaction. Through the social media channels (Facebook, Twitter, Instagram, Pinterest, LinkedIn) we can also actively engage in a dialogue with our customers which allows us to further improve our services.

Both smartphoto and naYan customers can ask questions, make suggestions or formulate complaints about a product, a service or the website to the customer service teams that are ready to help. The teams can be reached via e-mail, telephone or letter. Customers might already be able to find an answer on the websites in the list of frequently asked questions.

Our suppliers

Within smartphoto group, we do business in an ethical manner; we therefore expect the same from all our direct and indirect suppliers or business partners. To stipulate this, we have asked our key suppliers to sign our ethical code of conduct to ensure that the values and standards set out are applied as effectively as possible throughout the supply chain. Our code of conduct includes, among others, the following principles: no form of forced labour, slavery or non-voluntary labour, safe and hygienic working conditions, no child labour, a fair remuneration, no discrimination, no harsh or inhumane treatment, protection of the environment, and ethical entrepreneurship.

Smartphoto group counts on the support of its suppliers to achieve the goal of ethical business.

Corporate Governance

The main aspects of the corporate governance policy of smartphoto group NV are set out in the Corporate Governance Charter which can be consulted on the website www.smartphotogroup.com. The Corporate Governance Charter is updated regularly.

In this Annual Report, we disclose the actual applications of the Corporate Governance Charter.

Smartphoto group NV complies with all provisions of the Corporate Governance Code 2020, except for those provisions that are deviated from for the reasons explained in the Corporate Governance statement, as included in this Annual Report starting as of page 28.

Communication with shareholders and investors

As a listed company, smartphoto group attaches importance to open and simultaneous communication with shareholders and investors, such as the publication of the Annual Report and the Half-yearly Financial Report, the publication of the press releases and the separate “Investors” section on the website www.smartphotogroup.com. Investors or interested parties can subscribe to the press release service for free. This can be done via the above mentioned website.

On 27 September 2022, smartphoto group organised its first Investor Day for investors, analysts and financial media. The invitees were given a tour of the Gift Factory in Vantegem, followed by a presentation that provided an update on smartphoto group, including an explanation of its strategic plan and growth ambitions.

Social commitment

Smartphoto supports initiatives that contribute to charities and community initiatives. This support is realised in various ways: through financial contributions and collections by the employees, as well as in the form of products or offering services as a way of support.

- Support to Villa Samson

Villa Samson is a warm house next to the UZ Brussels where hospitalised patients can meet their pet, or enjoy the healing effect of contact with a therapy animal. These encounters with animals have a beneficial effect on people’s mental well-being and on their healing process. Besides meeting moments and therapy, Villa Samson also wants to focus more on scientific research concerning therapy with animals and its effect on the mindset and the healing process of a patient.

In the month of October 2021 smartphoto organised an action for this charity. For every order with one or more products from our pet collection, we donated 1 euro to Villa Samson. Thanks to the warm, enthusiastic orders from our customers, we were able to surprise Villa Samson at the beginning of 2022 with a cheque, which we could give to the volunteers, along with some nicely filled biscuit boxes.

- Support to ‘SamenBergOp’

Smartphoto supports ‘SamenBergOp’, a project fighting against underprivileged poverty and social exclusion. With the help of the municipal council of Wetteren, Rotary Wetteren, the non-profit organisation ‘ArmenTeKort’, and a number of supporting local companies, including smartphoto, Wetteren wants to support 30 underprivileged residents for a certain period of time to break out of the poverty trap (permanently), and to restore their self-esteem and resilience.

During the training programme, the ‘opportunity-offering buddy’ is formed to provide the necessary support during the buddy process. The training is provided by the organisation ‘ArmenTeKort’, with a focus on gaining insight into the social map and living environment of someone in underprivileged poverty, making a connection with themselves and the buddy, (re)discovering and reinforcing strengths and the network, and the buddyhood itself through practical sessions.



A study of such projects, which have already been, and are still being, developed in several places in Belgium, indicates that the daily life of opportunity-seeking buddies in poverty is made more comfortable by human interaction, friendship and recognition.



Smartphoto supports this project by, amongst others: (i) helping in the search for 'opportunity-offering buddies' who will be matched with 'help-seeking buddies', and who will accompany these buddies for a certain period of time in order to gradually pick up their lives again; (ii) helping to support the project financially by donating a fixed annual amount; and (iii) supporting the project practically by offering promotional material and designing logo and flyers.

Other charities smartphoto group supported in 2022 included the following:

- Beyond the Moon

Beyond the Moon accomplishes two complementary projects to brighten and make the lives of families with a seriously ill child more enjoyable. Through the main project 'Offer a Vacation', the organisation offers families with a sick child an unforgettable holiday experience, before or after medical treatment, far away from the hospital. And through the side project 'Paint a Smile', the organisation brings a colourful and vibrant holiday experience of an animal family to the often dull, chilly hospital rooms through interactive 3D murals, offering a sick child something beautiful to look at, during a hospitalisation or consultation at the children's hospital.

- 'UZ Brussel' Foundation

'UZ Brussel' Foundation engages in efforts to raise funds for UZ Brussels and its patients. These funds support projects that provide a warm, humane caring environment and create added value for patients and their families. In addition, through the funds raised, pioneering clinical scientific research is made possible.

- Move for Children (Child Focus)

Through the Move for Children campaign, Child Focus collected support for the 116000 emergency line during the month of May 2022. The organisation Child Focus makes every effort 24/7 to find missing children, and to fight against the sexual exploitation of minors.

- Make-A-Wish®

The organisation Make-A-Wish® fulfils the heart's desire of children aged between 3 and 18 with a life-threatening medical condition, giving them strength to continue the fight against their illness. Because if a child can believe its wish will come true, it can also believe it will get better.

- 'Warmste Week 2022'

'De Warmste Week' is VRT's solidarity campaign, organised annually in the week before Christmas. In 2022, the theme was 'Underprivileged Poverty'. All the money collected during 'The Warmest Week' went to the DWW Fund, and will be used entirely to enable concrete projects within the central theme.

Environment



ESG awareness

Increasing sustainability awareness is achieved through various initiatives by the Sustainability team, in collaboration with the Communications team. For instance, as of 2022 onwards bi-monthly workshops are organised, such as, for example: 'Deforestation' (workshop through our Swedish partner Holmen/Iggesund, supplier of cardboard for the production of the 'Cards', explaining how they produce cardboard in a truly sustainable way); 'Well-being@work', 'Plant-based nutrition', or 'Packaging myths dismantled'.

Energy efficiency in the company

Reducing power consumption

Both in the production and office areas, a systematic switch to LED lighting with motion sensors is being made, resulting in a significant reduction in power consumption. A 5.7% reduction in electricity consumption was achieved in 2022, compared to 2021.

Reducing fossil fuel consumption

Energy consumption is reduced by, amongst others, lowering the desired temperature in both the production, office, and server rooms in the winter, and increasing it in the summer, the installation of so-called 'smart' thermostat heads, and the installation of a high-speed gateway in the production department Wall-deco.



Use of energy from renewable sources

Installation of photovoltaic panels

Smartphoto aims to reduce its CO² emissions by investing in renewable energy. For our Vantegem production site, a feasibility study was carried out in 2021 to use renewable energy by installing photovoltaic panels for electricity production. For this site, the main production hours are between 6 am and 6 pm. We installed nearly 500 kWp of solar panels at the production site in Vantegem (Wetteren). These have been operational since December 2022.

Car policy

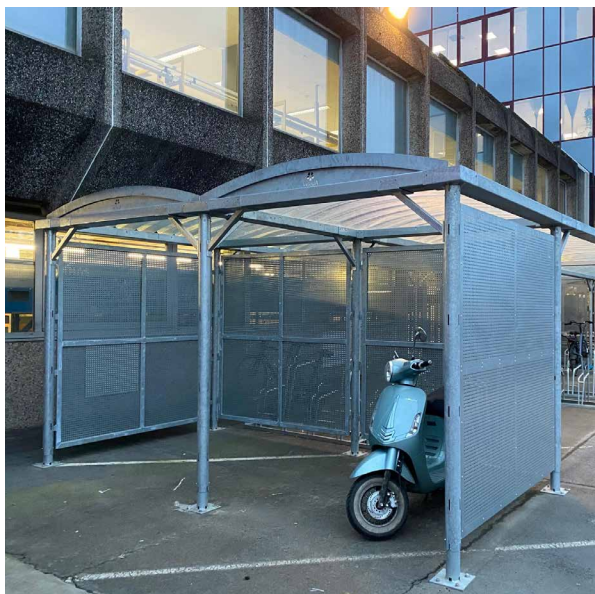
In 2021, the Car policy was adjusted to give hybrid or electric company cars preference over diesel or gasoline cars. Of the company cars ordered in 2021, 85% were fully electric or hybrid, which means that more than 40% of our fleet will be fully electric or hybrid in 1 year. The company cars ordered from 2022 onwards are all hybrid or fully electric.

Smartphoto also offers the possibility of charging electric cars. Smartphoto has 10 double charging stations (a total of 20 spots). Some of these charging points are also made available to third parties.

Bicycle lease plans

To ensure that we all cycle to work more, it is obviously important to be able to use a well-equipped bicycle. Getting to work by bike therefore has only advantages, such as: reduction of CO² emissions, and faster arrival at work, if the home-work distance is less than 10 km. Moreover, cycling is an ideal outlet to clear one's mind after a busy working day, and one gets a free work-out on top of it. These are just a few reasons why smartphoto makes it possible to lease a bike of one's choice for 3 years, on favourable terms.

In addition, investments are also made to improve accommodation for bicyclists, including the construction of a new bike shed, a dressing area with lockers, and charging points for e-bikes.



Our products

Our extensive product range makes it easy to make eco-friendly choices when selecting a gift. Several of our personalised products are made from natural materials, such as a personalised wine box with photo and text printed on wood from FSC-certified birch; or a gift box with engraved wooden lid.

Our range also includes several reusable products that are a better alternative to the disposable versions. Examples include the personalised drinking bottle, where a choice of three variants can

be made; the glass carafe as a replacement for plastic bottles, where a name or a quote can be laser-engraved; the personalised shopper made of soft and strong polylinen, possibly combined with a pouch made of the same material for storing smaller items; the refillable metal lighter; the tin storage jars with wooden lids, available in two different sizes; the 100% cotton fabric bags; the glass jars that can be filled with sweets, chocolates, dried flowers or our new bath salts, as a thank-you gift for guests at a party, ...



At smartphoto, we are doing our best to be more environmentally friendly in the future, in as many areas of the production process as possible. Through small adjustments, we are also doing our bit for a more sustainable society in our product selection.

Since 2022, our photo magnets are no longer available in plastic. The material was replaced by FSC-certified hardboard, which is more environmentally friendly!

Waste and resource management



Sustainable water consumption

Water consumption is very low since we hardly use any water in our production process. Nevertheless, attention is also paid to this, for example, by placing drinking fountains that are connected to the tap water.

Our CO² footprint

In 2022, investments were made to increase knowledge of CO² calculations so that the CO² footprint of smartphoto group's operations can be measured more accurately. This includes the following emissions: domestic fuel oil and natural gas for heating; petrol, diesel and electricity for the leased cars; leakage of cooling gases for the HP cooling machines; nuclear, fossil and green electricity.

Reducing the CO² footprint of shipping

The shipment of parcels is based on 2 parts:

- Linehaul= transport from the Wetteren production site to the distribution centre, and
- Last mile= transport from the distribution centre to the final consumer.

In 2021, 16% of our parcels were shipped CO² neutral, and 45% had at least a CO² neutral last mile. In 2022, 68% of our parcels were already shipped CO² neutral, and at least 32% had a CO² neutral last mile. For 2023, the target is to ship 95% of our parcels completely CO² neutral ('Linehaul' and 'Last mile').

Sustainable product development

Use of inks during the production process

Only latex ink and UV ink are used to print products made from hard materials, such as canvas and plate metal; these are less harmful inks than the solvent inks previously used.

Local production

Local production is promoted as much as possible. Thus, since 2022, cushions, which were previously imported from Poland, are now also manufactured centrally at the production sites in Wetteren. A modification that not only contributes to more work for local people, but also ensures less transport, and thus lower CO² emissions.

In the coming years, we will continue to look at ways to import as many basic materials as possible from within Europe.

Analysis of silver recovery

The silver halide processes were analysed. This confirmed that silver recovery and handling of related chemical waste from the process is under control.

Sustainable packaging

At our site in Vantegem, we ship 900 000 parcels a year, all in solid boxes and envelopes. Because we are only allowed to use a limited number of packaging types, the packaging was often inefficient, and a lot of air was sent. In 2021, smartphoto invested in a packaging line that allows us to pack items in boxes with variable dimensions in height. To further reduce packaging waste, we additionally invested in 2 types of boxes with the same footprint. Through the low or high boxes, we can ship packages that vary in height from 3 cm to 25 cm. This drastically reduces the amount of air shipped.



On an annual basis, we ship 2.5 million parcels. All packaging is made of FSC-certified cardboard. Our paper used is also 'FSC'-certified. The FSC label guarantees responsible origin from sustainably managed forests and/or recycling.

We have also taken further steps to minimise the use of plastic in our packaging by systematically replacing certain packaging materials with more sustainable variants. Recycled materials are used for packaging some fragile products. For example, we have already set the target of reducing the use of bubble wrap by half by 2023.

Waste reduction/processing

For the two plants in Wetteren, the various waste streams (PMD, cardboard, white paper, paint, etc.) are separated. The remaining waste is collected as general industrial waste. In 2021, this amounted to 149 tons. The goal is to reduce this by 5% per year over the next 3 years, resulting in a 15% decrease. In 2022, the remaining waste amounted to 135 tons, or a 9% decrease compared to 2021.

Reducing paper consumption

Concerning the paper waste for the production of books, cards and calendars, our aim is also to reduce this by 5% per year over the next three years.

For example, improving the positioning of cards on a sheet of paper resulted in a structural saving of 168 000 sheets of SRA3 paper format.

Creating awareness among employees around waste sorting

Employees are regularly informed about waste sorting and collection. Within the company, PMD, paper and cardboard, organic waste and residual waste are collected separately. To achieve this, personal waste baskets at desks or workplaces were removed. These were replaced by centrally placed waste containers in which paper and cardboard, PMD (plastic, metal and drink cartons), 'GFT' (vegetable, fruit and garden waste), and residual waste can be deposited separately. This measure not only improves recycling of waste, but also reduces the consumption of plastic bags and reduces the work of the cleaning personnel. Besides, it also encourages more exercise from employees occupying a seated function.

Digital corporate housekeeping and communication with stakeholders

The aim to reduce paper consumption is also reflected in the endeavour to have all communication between the company and its shareholders and/or directors take place electronically, in application of Article 2:32 of the Belgian Companies and Associations Code. To this end, a specific e-mail address was created, corporate@smartphoto.com, which was included in Article 1 of the Articles of Association in accordance with Article 3:31 of the Belgian Companies and Associations Code.

Shareholders are thus encouraged to refrain from making company law documents available by ordinary mail.



2023 action plan

People and well-being

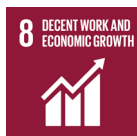
- Improving infrastructure of the dining area for employees in Kwatrecht (Belgium)
- Supporting local projects/work for people with a disability
- Sharing a common library in the workplace



- 3 Ensuring healthy lives and promote well-being at all ages
- 8 Promoting decent work for all, for people with a disability

Environment

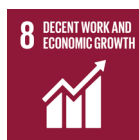
- Drafting a roadmap for the HVAC installation (heating, ventilation and air conditioning) for the Kwatrecht buildings
- Promoting sustainable products on the website
- Creating a more enduring green zone outside



- 7 Increasing the share of renewable energy
- 8 Improving global resource efficiency in consumption and production
- 12 Achieving sustainable governance and efficient use of natural resources
- 13 Improving awareness relating to climate change
- 8 Promoting safe and healthy working environments

Waste and resource management

- Drafting a CO² footprint roadmap
- Shipping CO² neutral for 95% of our packages
- Reducing the use of bubble wrap by 50%
- Sourcing more basic supplies made in Europe



- 8 Improving global resource efficiency in consumption and production
- 12 Reducing emissions to air, water and soil
- 12 Reducing waste generation through prevention, reduction, recycling and reuse

