



STATEMENT OF NON-FINANCIAL
INFORMATION
SUSTAINABILITY REPORT (ESG)



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A statement according to 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.

As of 2025, with reporting in 2026, smartphoto group, as a large listed company with less than 500 employees, will be subject to the CSRD Directive (Corporate Sustainability Reporting Directive, published in the Official Journal of the European Union on 14 December 2022) for the 2025 financial year, and has to report in accordance with the ESRS standards (European Sustainability Reporting Standards).

In 2024, smartphoto group will further analyse and align its non-financial information with this new directive. In this respect, the focus will be on the so-called 'double materiality' (the company's impact on people and the environment (impact materiality), and the impact of sustainability themes on the company's cash flow and value (financial materiality)). Based on a survey of all our stakeholders, the materiality matrix can then be drawn up, and the applicable KPIs can be formulated.

Apart from this, smartphoto group is voluntarily compiling this sustainability report because we are convinced that by doing so we are already contributing 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 with their e-commerce growth, based on three pillars (Full e-commerce, Customer 360 and Marketplaces).

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 23 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 47 to 50 of this annual report.

Our sustainability vision: Building a more sustainable world together



At smartphoto, we embrace our role in creating meaningful moments for our customers with our slogan 'smart.simple.smile'. This mission extends beyond providing smart and simple solutions; it is a promise to create positive change for our community and the planet. Sustainability is at the heart of everything we do, reflected by our unwavering commitment to corporate social responsibility.

Our three sustainability pillars:

1. People and well-being

We believe in creating an enjoyable and motivating workplace where our employees feel valued and respected. Our commitment to a balanced corporate culture goes hand in hand with supporting the communities in which we operate, always striving to make a positive impact on people's lives.

2. Environment

Our planet is our most precious asset. We are committed to reducing our environmental footprint by focusing on sustainable practices, from the sourcing of materials, to production processes and packaging. Minimising waste, promoting recycling and using sustainable raw materials are key aspects of our environmental strategy.



3. Waste and resource management

Recognising that every action counts, we are constantly working to optimise our supply chain to be more resource efficient and reduce waste generation. This includes finding innovative ways to reuse and recycle our products and packaging.

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).

Within the three pillars 'People and well-being', 'Environment' and 'Waste and resource management', our focus goes to the following six SDG goals:

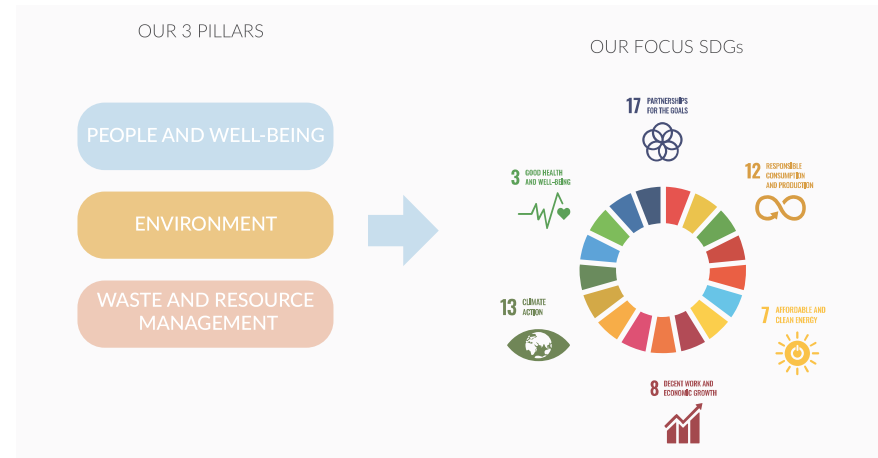


Together with the Sustainability team, smartphoto group managed to implement the planned actions according to the 2023 action plan.



In 2023, the evaluation committee of the Voka Charter for Sustainable Entrepreneurship ('VCDO') awarded smartphoto the certificate of 'Sustainability Laureate', for the second time, in recognition of our sustainable business operations.

This evaluation committee conducted its audit and completed it positively, allowing smartphoto to claim the certificate of 'Pioneer Sustainable Entrepreneurship'.



Collaborating with stakeholders

We acknowledge the crucial role of our internal and external stakeholders - from employees to customers, suppliers, and our local communities. By being transparent in our efforts and active engaging in dialogue, we strive to push sustainability forward together. Our Sustainability team, reporting directly to the CEO, closely collaborates with all departments and partners to achieve our sustainability goals.

Our future

With the launch of our sustainability roadmap in 2021, we have set clear objectives to create not only economic, but also social and environmental value. We are committed to continuous improvement and innovation, aiming to be a leading company contributing to a more sustainable future. Our journey is a testimonial of our dedication to the mission, corporate values, and the core of our business activities, focusing with every step we take, on bringing a smile, not only to the faces of our customers, but also to our environment and our community.

2023 achievements

People & well-being

- Improving infrastructure of the dining area for employees in Kwatrecht (Belgium)
- Encouraging to cycle to work
- Sharing a common library in the workplace
- Promoting gender equality
- Supporting local projects/work for people with a disability
- Offering the possibility to donate to charity
- Organising collective blood donations
- Organising workshops on physical and mental health
- Collaboration with social employment company for the production of wood blocks



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

- Drafting a roadmap for the HVAC installation (heating, ventilation and air conditioning) for the Kwatrecht buildings
- Organising actions to collect litter
- Offering more sustainable food



- 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
- 12 Promoting sustainable consumption and production patterns
- 13 Improving awareness relating to climate change
- 13 Reducing the impact of agriculture on the climate change

Waste and resource management

- Drafting a CO₂ footprint roadmap
- Shipping CO₂ neutral for 95% of our packages
- Offering sustainable shipping options and consolidating orders
- Consolidating shipments between production sites
- Reducing the use of bubble wrap by 50%
- Reducing the paper consumption
- 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 Realising sustainable management and efficient use of natural resources
- 12 Reducing waste generation through prevention, reduction, recycling and reuse
- 13 Reducing emissions of greenhouse gases
- 13 Reducing fossil fuel consumption



People and well-being



Our employees

Well-being at work

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.

Safe working conditions

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.
- Continuous efforts are made through preventive and corrective measures to monitor and improve ergonomics, such as investing in custom-made ergonomic packaging tables and conducting information sessions on ergonomics at the desk, both in the office and at the home workspace. Good ergonomics prevents and remedies health issues. 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 regarding 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.

Workshops on physical and mental health

On a regular basis, workshops are organised aimed at improving the physical and mental health of our employees. In 2023, among others, a workshop on (sexual) transgressive behaviour was provided by Punt. vzw, an organisation dedicated to better supporting victims who have come into contact with, or are still experiencing, sexual transgressive behaviour (in all its forms and degrees). Such workshops also contribute to promoting gender equality.

Furthermore, workshops were also held on the following topics: the key to a healthy balance between work and personal life, a balanced diet, and physical recovery and sleep.

Business infrastructure

Modernisation of offices, dining area and adjacent spaces in Kwatrecht (Belgium)

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. In 2023, the renovation project was carried out with the aim of creating an attractive, sustainable, and healthy environment for qualitative lunch breaks, where cosiness and tranquillity ensure greater well-being. The adjacent spaces were designed to include a multipurpose area 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 bicycle; and meeting rooms equipped with the latest communication technologies.

Additionally, a shared library was set up in this space for free lending of books, which all employees can enjoy, also contributing to personal growth and a sense of community within our organisation.

Opening of a hub in Ghent

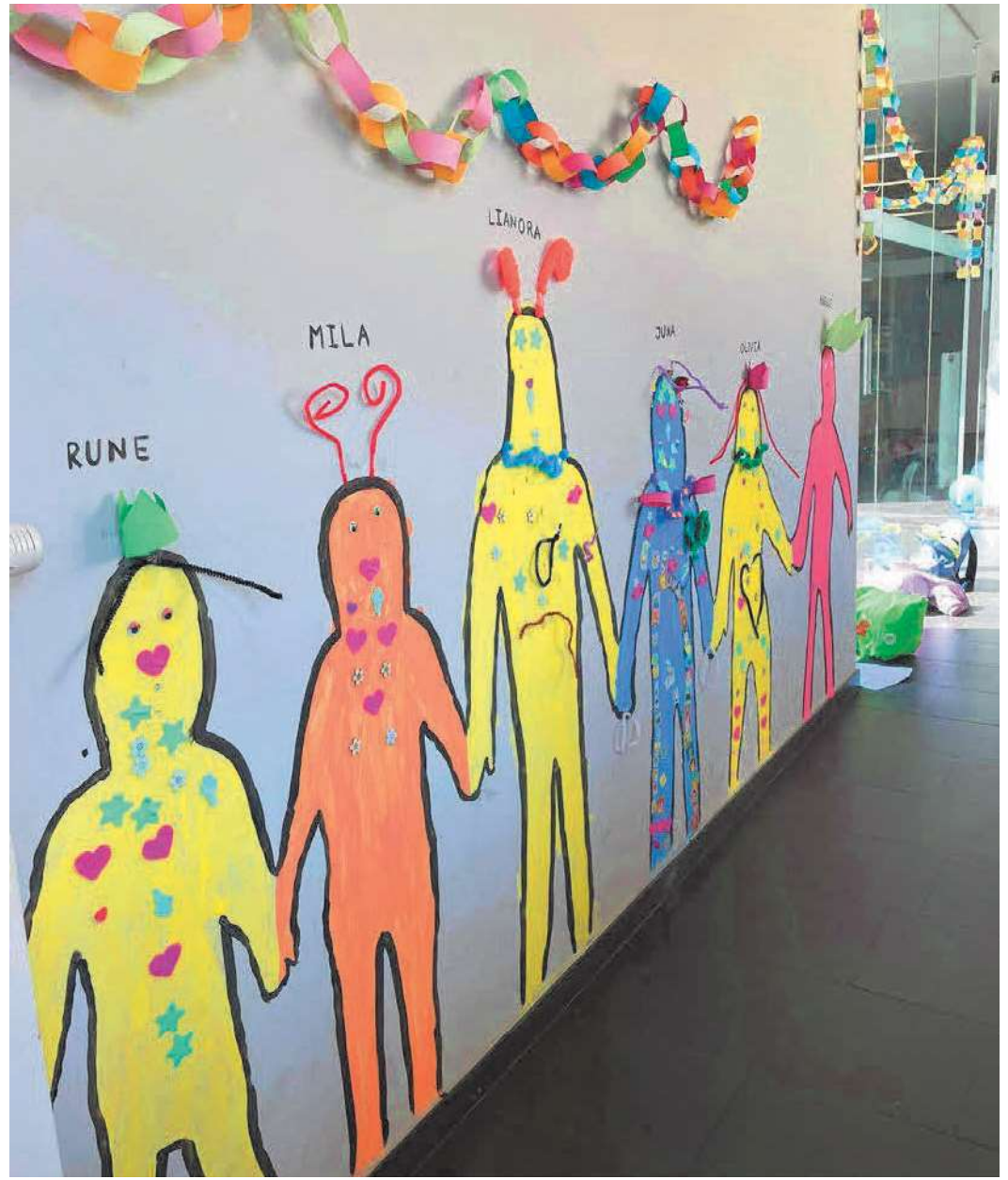
In 2023, naYan opened a hub in Ghent. This not only expands the recruitment circle and increases diversity within the workforce, but also spreads home-work travelling across two locations. This leads to a reduction in time spent on travelling and provides the opportunity, for those living closer to the office in Ghent, to travel by bike. Additionally, the location is easily accessible by public transportation; an electric bus drives from Ghent Sint-Pieters station to the office and back.

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 the office, in order to keep the group spirit high.







**Playing cannot
be taken
seriously
enough ...**

nayan.



At naYan, a pilot project was launched during the Easter holidays of 2023, organising vacation camps for the children and grandchildren of colleagues. It brought a lively atmosphere to the cafeteria with the many artworks, and the garden was also utilised for frolicking and playing. This initiative is being continued and will now take place every school holiday (subject to sufficient registrations).

Career development and employee training

Smartphoto group 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. For non-Dutch speakers, for example, Dutch lessons are also offered at work.

Biannual employee survey

In September 2022, for the second time, an employee survey was organised for all our colleagues within smartphoto group, including naYan and the foreign teams, in collaboration with Great Place to Work®. This survey focuses 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 was once again recognised as a Great Place to Work®!

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

Flexible compensation plan

The implementation of a flexible compensation plan, also known as a 'Cafeteria Plan' in Belgium, allows employees to make alternative choices to convert their current salary elements into other benefits, and personalise their compensation package.

Employees can choose benefits from categories such as mobility, multimedia, personal life and health. For example, it is possible to request additional vacation days or reimbursement for individual health insurance premiums.

Diversity of employees

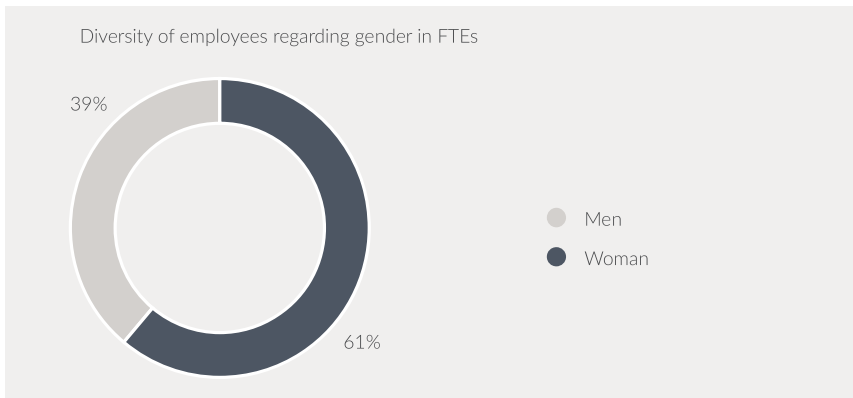
The focus on diversity is part of the HR policy of smartphoto as a group. Offering equal opportunities and fair remuneration leads to a higher level of employee commitment.

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 20 to 70. 62% of the employees are younger than 45 years. Smartphoto employs different nationalities. However, the fact that the production activities and a number of supporting services are centralised in Wetteren (Belgium), and the naYan activities are carried out in Ardoois (Belgium), results in about 81% of the employees having the Belgian nationality. Our employees generally have long employment records. About one fifth of all employees are employed part-time.

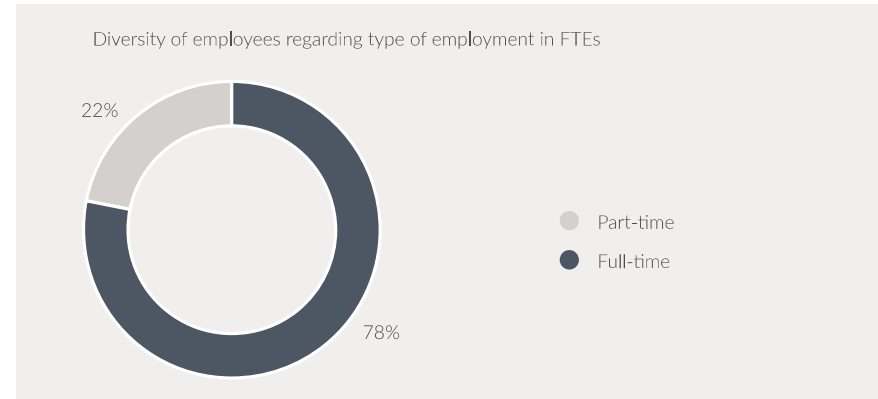
Diversity of employees regarding gender in FTEs

Gender	Woman	Men	Total
Number of employees	187	119	306
In % of total	61%	39%	100%



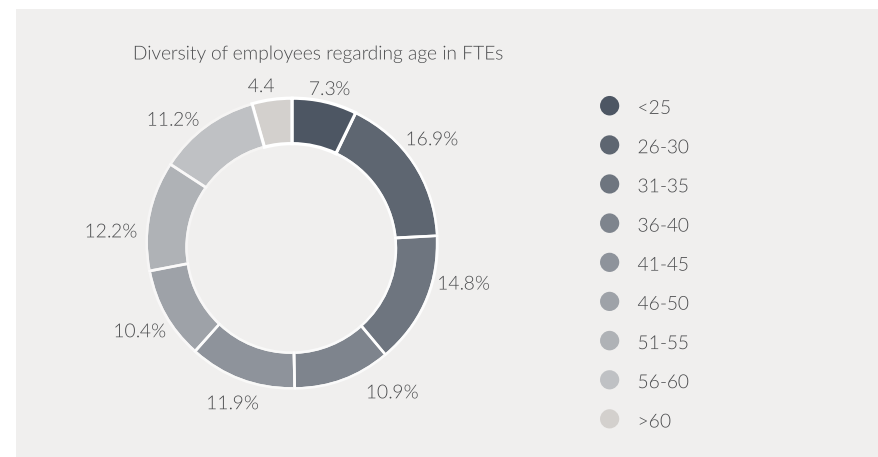
Diversity of employees regarding type of employment in FTEs

Type of employment	Full-time	Part-time	Total
Number of employees	239	67	306
In % of total	78%	22%	100%



Diversity of 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	22	52	45	33	36	32	37	34	14	306
In % of total	7.3%	16.9%	14.8%	10.9%	11.9%	10.4%	12.2%	11.2%	4.4%	100.0%





Diversity within the Board of Directors

The information regarding diversity in the Board of Directors is included in the Corporate Governance Statement on page 30 of this annual report.

Communication

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.

Using Google Chat, communicating with employees on certain topics, common interests or projects is encouraged. This can be done one-on-one or in a group. Such accessible communication 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.

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

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, X, 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 who 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.

The actual applications of the Corporate Governance Charter are disclosed in this annual report.

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 31.

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 a regular basis, investor days are organised for investors, analysts and financial media.

Social commitment

Supporting local projects and/or employment for people with disabilities

The wood blocks for calendar and photo stands, as well as the candle holders, which were previously sourced from Europe, shipped to Asia for processing, and then returned to Belgium, are now processed directly in Belgium. For this purpose, smartphoto collaborates with the social employment company Zonnehoeve Production, a sheltered workplace that provides paid employment in an adapted, protected work environment for individuals with mild to moderate disabilities.

Supporting initiatives contributing 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 Bring A Smile vzw

Bring A Smile is a non-profit organisation dedicated to supporting seriously ill children. Its goal is to bring smiles on the faces of as many sick children as possible by fulfilling their wishes and supporting hospitals. We got in touch with Bring A Smile in 2023 because of our shared vision. At smartphoto, we embrace the motto 'Smile by Smile,' and it has been our goal for years to bring smiles to our customers and their loved ones.

Bring A Smile provides bright spots during a long battle and allows families to forget their daily worries for a moment. This is achieved by fulfilling wishes of the sick children and supporting hospitals and Child Care and Family Support Centers (CKGs) through initiatives such as breakfasts, St. Nicholas gifts, bouncy castles, holidays, refurbishments of paediatric departments, ... Because every child deserves a smile!

Smartphoto contributed by supporting this heartwarming project in various ways. Not only did we offer Bring A Smile all our assistance and expertise in its communication with future families, but we also organised both internal actions for our employees and external actions for our customers to raise funds for this wonderful cause.

As an external action, the campaign '1 euro donation to Bring A Smile per product sold by smartphoto.be' was organised in the month of December. We selected four photo gifts that perfectly align with Bring A Smile's mission. On the one hand, we chose teddy bears and playing cards as a reference to the smiles we aim to bring to the sick children with this campaign. On the other hand, we selected the candle holder and the glitter photo block as symbols of the bright spots and sparks of hope we wish for the families of the children.



Internally, our employees also made efforts to support Bring A Smile. We organised a quiz where a total of 19 teams competed - in a collegial manner - for victory. Additionally, all employees had the opportunity to make their own contributions via donation boxes distributed across all departments of the organisation. Through these efforts, we collected a significant amount altogether.

- 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, 30 underprivileged residents are supported 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 the buddy and (re)discovering and reinforcing strengths 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, among 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 2023 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.

- 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.

- Villa Samson (UZ Brussel Foundation)

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.

- 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.

- Samana vzw

Samana vzw is an association of and for people with a chronic illness or care need, their informal caregivers and volunteers.

- Sport against Cancer - UHasselt

On 14 March 2023, the association 'Sporten tegen Kanker' organised, in cooperation with UHasselt, a day full of sports activities, a walk and a tombola. All proceeds went entirely to 'Het Likaf' (Limburg Cancer Fund).

- Boas vzw

Boas (Belgian Organization for Adapted Swimming) vzw is a social-sportive operation that uses swimming to optimise the quality of life of people with disabilities.

- Rainbow4Kids vzw

Rainbow4Kids vzw has built a kindergarten and elementary school in Maweni (Ukunda), a small village 30 km south of Mombasa. At the moment this school has 1 nursery class, 3 kindergarten classes and 8 classes. The school also has a boarding school where the final year students can prepare for their final exams.

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: 'Sustainable 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'. For 2023, the workshops mainly covered topics around the physical and mental health of our employees.

We have also started sustainability awareness campaigns, highlighting one sustainability theme per month. For the month of March, for example, this is sorting & recycling GFT, glass, paper & cardboard, and PMD.

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.

Reducing fossil fuel consumption

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

Use of energy from renewable sources

Installation of photovoltaic panels

Smartphoto aims to reduce its CO₂ emissions by investing in renewable energy. On the roof of our Vantegem production site, photovoltaic panels for electricity production were installed. For this site, the main production hours are between 6 am and 6 pm. These have been operational since December 2022. Over 2023, this installation generated 455.85 megawatt hours of energy, or avoided 241 tons of CO₂ emissions.



MARCH SORTING & RECYCLING GFT

WHAT BELONGS IN THE GFT-CONTAINER?

- Peelings and remains of fruit, vegetables & potatoes
- Animal & vegetable kitchen waste & food scraps
- Bread scraps
- Meat & fish remains and crustacean remains (but not shells)
- Eggs & eggshells
- Solid dairy products (cheese)
- Nuts & kernels
- Coffee grounds & paper coffee filters
- Tea leaves
- Manure from small pets (guinea pig, rabbit)
- House & garden plants (with potting soil)
- Sawdust & shavings from untreated wood
- Shredded prunings
- Bio bags (compostable bags with OK Compost logo)
- Paper from kitchen rolls (when the paper is unprinted and was used to mop up food leftovers)
- Fine garden & pruning waste (leaves, grass, weeds, hedge trimmings)



Depending on the waste intercommunal, you can use compostable or biodegradable bags for organic waste. Please consult your waste intercommunal. See www.recupel.be.

WHAT DOES NOT BELONG IN IT?

- Liquids (milk, soup, coffee, etc.)
- Liquid sauces, fats and oils
- Tea bags & coffee pods*
- Treated wood
- Bones, animal waste & offal
- Mussel or oyster shells
- Cat litter & birdcage shell sand*
- Manure from larger pets
- Dust from hoover
- Disposable nappies & other hygiene waste
- Soil & sand
- Cork
- Ash residues & charcoal
- Coarse prunings, thick branches & tree roots
- Japanese knotweed (→ combustible or residual waste)



Unwanted guests in your container (maggots, fruit flies, ...)?

- Put some newspaper or straw on the bottom of your GFT container. The moisture from your waste will be better absorbed that way!
- What also helps against pests is to twist mothballs into a bag or pantyhose. Hang these on the lid of your GFT bin, along the inside.
- A few sprigs of fresh lavender in your GFT container also helps, or a few drops of essential oil.

* Does the packaging say 'OK Compost', '100% compostable' or '100% recyclable'? Then this does not belong in your GFT container!

MARCH SORTING & RECYCLING GLASS



Glass jars for food, glass bottles for drinks (beer, wine, sparkling wine, fruit juice, etc.) and culinary oil or vinegar belong to glass, although without lids or caps.

Empty glass bottles for perfume, lotion, serum, aftershave or other care products, as well as glass medicine bottles may also be sorted as glass, provided they are empty, are made of transparent glass and the nozzles and caps have been removed.



Flat glass such as broken windows and mirrors should not be sorted with the glass. This glass, like drinking glasses and wine glasses, has a very different composition to the glass of bottles or jars, and can seriously disrupt the recycling process. This glass should be taken to the recycling park.

! Do remember to pack broken drinking glasses properly first, for the sake of the safety of the recyclers.

Also not allowed in the bottle bank: Crystal glass, glass from heat-resistant oven dishes, lamps and earthenware or porcelain.



Proper sorting: Anyone can do it!!

MARCH SORTING & RECYCLING PAPER & CARDBOARD

Some doubtful cases

Photos & photo paper, wallpaper and baking paper (used and unused) cannot simply be recycled as ordinary paper, and belong in residual waste.



Envelopes can be sorted with the paper/cardboard, even if they have a window. Any bubble wrap in envelopes must be removed and thrown in the PMD.

Empty cardboard cups (without lids) should be sorted as paper/cardboard, provided they are free of food residues and have a shiny edge on one side at most. This synthetic film layer blocks moisture, preventing the paper fibres from being turned into pulp during recycling. So if the cardboard cup has a synthetic film layer on both sides, it belongs in the residual waste!



- Cardboard boxes of frozen food may be sorted as paper/cardboard if they are clean and contain no food remains. Even if the boxes only have a thin layer of plastic on one side they can go with paper/cardboard.
- Nowadays, chips tubes are made entirely of cardboard and can therefore go with paper/cardboard. Older tubes with a metal bottom belong with the residual waste.

✗ Paper bags with an aluminium interior (e.g. powdered soup) belong in the residual waste!

Nature thanks you!!

MARCH SORTING & RECYCLING PMD (PLASTICS, METAL, DRINK CARTONS)

Small hazardous waste does not belong with PMD

Do you have packaging with a child-resistant push-twist button, or is there a 'toxic' or 'harmful to health' logo on the packaging? Then it belongs with KGA, and not with PMD. Packaging of mouthwash or descaler does belong in PMD.

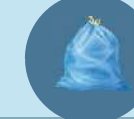


What about aluminium foil?

Soon we will be eating chocolate eggs en masse again. The aluminium foil around the eggs, stuffed in a ball, may also be added to the PMD so that it can be more easily sorted out in the drum sieve, just like crown corks and coffee capsules.

And what about:

- White or black foam dishes for meat or fish? These can go in the PMD!
- Styrofoam (isom)? This material cannot go in the PMD or residual waste, and must be brought in separately to the recycling park.



How do you fill the PMD bag?

- Pour or scrape bottles or containers well, and do not stack them together (e.g. yoghurt jars).
- Remove the plastic film from dishes or bottles and throw them separately into the bag.
- Push plastic bottles flat, and put the cap on.

Sorting doubts?

Take a look at:
• www.betersorteren.be
• www.fostplus.be





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, resulting in more than 40% of our fleet becoming fully electric or hybrid in 1 year. The company cars ordered from 2022 onwards are all hybrid or fully electric. Over 2023, this yielded a 40% decrease in gasoline consumption and 88% decrease in diesel consumption, compared to 2022, resulting in savings of 163 tons of CO₂ emissions.

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 kms. 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.

Smartphoto makes further efforts to encourage employees to cycle to work. Investments were made to improve accommodation for cyclists, including the construction of a new bike shed, a dressing area with lockers, and charging points for e-bikes. In 2023, an 'I bike to work day' was organised, and employees who came to work by bike on that day, were rewarded with a tasty breakfast and a goodie bag.

Offering more sustainable food

Considerable effort is made within the smartphoto group to promote the importance of healthy food. This is achieved, among others, by organising vegan workshops, providing vegetarian and vegan alternatives during all company events, and regularly providing fruit and fresh soup for employees.

In 2023, a 'smart' refrigerator with always fresh, healthy and locally cultivated food was also introduced, and soft drink vending machines were removed.

By offering fair trade tea and coffee, our employees are also made aware of sustainable consumption, and smartphoto contributes to improving the living conditions and welfare of farmers and workers in developing countries.

Actions to collect litter

In spring 2023, an action was organised for the collection of waste or litter. About 25 employees of smartphoto joined forces during the lunch break to clear litter in some streets of Wetteren.



The material (grabbers, litter bags, vests, etc.) was provided by 'Mooimakers' a Flemish initiative against litter and fly-tipping by OVAM, Fost Plus and the 'Vereniging van Vlaamse Steden en Gemeenten' (VVSG).

Such an action will be organised yearly.



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. In 2023, personalised products made of wood were further expanded with new products, such as, for example, a personalised wooden bottle opener, or a personalised candy necklace with edible beads and a label made of multiplex.

The Blossoms flower bombs with personalisable sleeve is an eco-friendly gift for many occasions. This is because it is a product made from biodegradable material, and contains a variety of wildflower seeds that you can simply throw on the ground or plant. Over time, a veritable floral display will grow, attracting beneficial insects such as bees and butterflies.

Our range also includes several reusable products that are a better alternative to the disposable versions. A nice example of this is the personalised drinking bottle, where a choice of three variants can be made (stainless steel sports bottle, bottle with stainless steel cap, or bottle with bamboo cap).

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

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.

Rainwater is used for sanitary purposes in the building at Kwatrecht and Vantegem (Belgium).

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. Over 2023, the target to ship 95% of our packages completely CO₂ neutral ('Linehaul' and 'Last mile') was exceeded with already 97% CO₂ neutral shipping. For 2024, the goal is to achieve 100% CO₂ neutral shipping.

Offering sustainable shipping options and consolidating orders

Whereas previously, customers received different products from the same order on different dates, customers currently receive (almost) all products from the same order on the same date. If the customer still wants faster delivery for a particular product, the customer is given the option to do so by paying extra. This already resulted in a 2.61% decrease in the number of deliveries (shipments) per order in the fourth quarter of 2023.



On an annual basis, this gives an estimated decrease between 40K and 55K shipments. Furthermore, shipments between the two production sites are also being consolidated.

Consolidating shipments between production sites and towards customers has a positive impact on the environment through, among other things:

- fewer individual packages, and thus less packaging material and waste; and
- larger shipments reducing the number of transport movements, and thus fuel consumption, resulting in reduced CO₂ emissions.

Sustainable product development

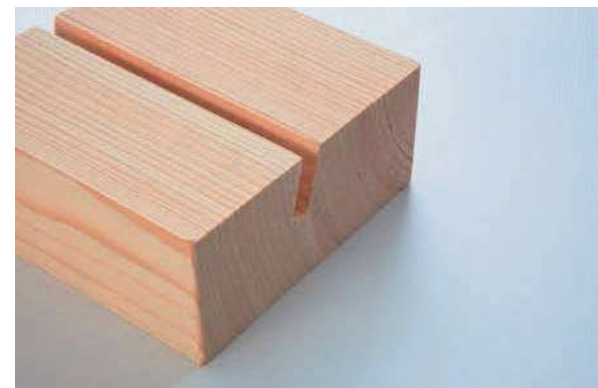
Use of inks during the production process

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. As of 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 2023, production of wood blocks was moved from Asia to Belgium. Whereas previously, the wood blocks for calendar and photo stands were sourced from Europe, shipped to Asia for processing, and then returned to Belgium, they are now processed directly in Belgium.



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. In 2023, we already reduced the use of bubble wrap by half. This results in significant reductions in plastic packaging, mainly for products in the wall decoration category, for glitter photo blocks, and all glass products.



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. Residual waste, excluding construction and demolition waste resulting from renovation projects, was 110 tons in 2021. In 2022, this residual waste amounted to 106 tons, or a decrease of 4% compared to 2021. In 2023, this was 96 tons, or a 9% decrease compared to 2022. Since a 13% reduction was already achieved after two years, we are on track to reduce this by 5% per year, or 15%, over a three-year period.

Reducing paper consumption

The following modifications help reduce paper waste in the production of books, cards and calendars:

- Improving the positioning of cards on a sheet of paper. This resulted in a structural saving of 168K sheets of SRA3 paper format.
- The adjustment of calendars from 14 pages to 13 pages. This resulted in savings of 246K sheets of paper in the last quarter of 2023.

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, GFT, and residual waste can be deposited separately. This measure does not only improve recycling of waste, but also reduces the consumption of plastic bags and reduces the work of the cleaning personnel. In addition, it also encourages more physical exercise from employees occupying a seated job.

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.

2024 action plan

People & well-being

- Offering a cafeteriaplan for all employees
- Introducing more vegetable, local and healthy food
- Supporting our own team to participate in 'Expeditie Natuurpunt'
- Offering more sustainable mobile phones
- Supporting local initiative for people in need



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

Environment

- Implementing sustainability reporting according to the CSRD Directive
- Conducting stakeholder analysis and preparing materiality matrix
- Improving energy efficiency of the building in Kwatrecht (Belgium)
- Offering the option of second-hand lease of electric company car
- Increasing awareness regarding sustainability by means of workshops
- Encouraging to cycle to work
- Communicating on a regular basis to our employees on sustainability topics (inspired by calendar activities of Green Planet vzw)



- 12 Integration of sustainability information into the reporting cycle
- 12 Reducing emissions to air, water and soil
- 12 Encouraging adoption of sustainable practices and integration of sustainability information
- 3 Ensuring healthy lives and promote well-being at all ages
- 8 Improving global efficiency in resource production and consumption
- 7 Increasing the share of renewable energy
- 13 Improving awareness regarding climate change
- 17 Promoting collaboration and employee engagement
- 13 Reducing fossil fuel consumption

Waste and resource management

- 100% CO₂ neutral shipping of our packages
- Drafting a CO₂ footprint roadmap
- Collaborating with suppliers to reduce or replace the packaging of goods by more sustainable variants
- Analysing new packaging based on starch instead of glue
- Replacing packaging material with more sustainable variants



- 12 Reducing emissions to air, water and soil
- 12 Integration of 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 of all types of waste during their life cycle
- 17 Sharing knowledge, expertise, technology and financial resources around sustainable development
- 13 Reducing emissions of greenhouse gases
- 13 Reducing fossil fuel consumption