

FAVORITE GIFTS

ANNUAL REPORT 2025

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Our CEO speaks

Arno van Helden | CEO

Within Favorite Gifts we recognize that the future of our planet and communities depends on the actions we take today. Our commitment to a healthier, more sustainable world is not just a responsibility, but also an opportunity to create lasting value.

By integrating sustainability into our business strategy, we aim to drive growth that benefits both people and the planet—paving the way for a brighter, more prosperous future for all. We want to empower branding by inspiring and advising our partners on the optimal use of promotional gifts, whilst addressing the sustainability challenges that lie ahead for all of us. We already see a strong sustainability movement across our market, among our customers, suppliers, and other stakeholders—motivating us to continue making meaningful progress as well.

Our journey

2023 Marked the start of our sustainability roadmap by conducting a stakeholder analysis and a double materiality assessment, identifying the material topics that shape our sustainability strategy. This assessment was part of our preparations to ensure our sustainability disclosures we aligned with the Corporate Sustainability Reporting Directive (CSRD). Favorite Gifts joined the UN Global Compact in 2024.

In the midst of our implementation process for the CSRD, the EU changed the legal requirements, lifting the formal requirement from Favorite Gifts to annually report material sustainability impacts. This allowed us to focus more on driving progress on our most material topics and gave us more flexibility in shaping our sustainable story. Although Favorite Gifts is no longer legally required to report under the CSRD, we remain committed to transparent reporting our ESG performance though.

As in 2024, we continued to invest significantly in sustainability in 2025. We enhanced our understanding of our carbon footprint, with a first scope 3 value chain disclosure, developed climate objectives presenting our first Climate Transition Plan, and improved the quality and depth of ESG data disclosed. We also restructured our annual sustainability report to improve alignment with reporting standards and increase readability overall quality. We also demonstrated our continued commitment to ESG by improving our annual Ecovadis grade to Silver amongst the top 15% in our category globally.

The acquisition of Clipper Interall in 2026 helps us to strengthen our position in the European market, making room for innovation, growth and sustainable development. With combining scale and technology with attractive brands and expertise, we create a future proof company that can accelerate innovation, produce smarter and enhance our customer services.

I am pleased to present our second sustainability report, providing an overview of Favorite Gifts' progress and commitments on our sustainability journey.

July 2026

2025 at a glance

455
employees

Active in
7 countries

14
nationalities

100.000
print orders per year

43%
female middle management

95,9%
on time shipment print orders

2
recalled items

0
corruption notifications

34 kiloton
Total CO_2e emissions

PEOPLE
BRANDS
A BRIGHTER TOMORROW

2025 was a year of progress, growth and continued commitment to sustainability. These key figures provide a snapshot of our people, operations and impact throughout the year.

Our recognitions

Ecovadis
Silver medal

United Nations
Global Compact member

61
FSC certified products

87%
% purchase volume sourced from audited factories

About Favorite Gifts

Favorite Gifts is an importer and supplier of promotional gifts. Since the foundation of A. van Helden Relatiegeschenken BV in 1965, we have evolved into an international family-owned company with nearly 450 employees.

With our headquarters in Tiel, the Netherlands, and warehouse and printing facilities, in Boleslawiec, Poland, we serve both indirect and direct markets in 36 European countries.

Since 2001, we have sold indirectly to distributors through our Giving Europe sales offices in the Netherlands, Germany, France, Spain, and Italy. We also sell directly to small and medium-sized businesses via Van Helden Relatiegeschenken in the Netherlands and Belgium, EuroGifts in France and Belgium, and Van Heijster Relatiegeschenken in the Netherlands. FL BV, our importing company, is based at our headquarters in the Netherlands.

As of 2026, we added Clipper Interall to our portfolio and we will start reporting the ESG information starting our next year Sustainability Report.

Mission and values

We aim to make a structural contribution to the success of our partners by inspiring and advising them on the optimal use of our promotional gifts.

We consistently invest in our customers and employees by increasing our mutual knowledge of promotional gifts and by connecting with our partners to develop professional solutions that generate trust and success and contribute significantly to their brand awareness.

In our environmental, social, and governance (ESG) plans we remain focused on empowering our customers' branding, while addressing the sustainability challenges ahead of us and being transparent about the impact of our products and operations.

Our way of working is driven by our core values.

Speed + **Simplicity** + **Fun** = **Success**

We react and communicate fast. We strive for a high speed to market. We avoid analysis paralysis. We want a speedy service and delivery. We work fast and we learn fast.

We keep it simple, so it's easier to understand, remember and implement. We focus on the basics. We avoid complexity by for example exceptions. We strive for standardization.

We want a great place to work with challenging and rewarding work and nice colleagues who have the same goal and who are proud of their work.

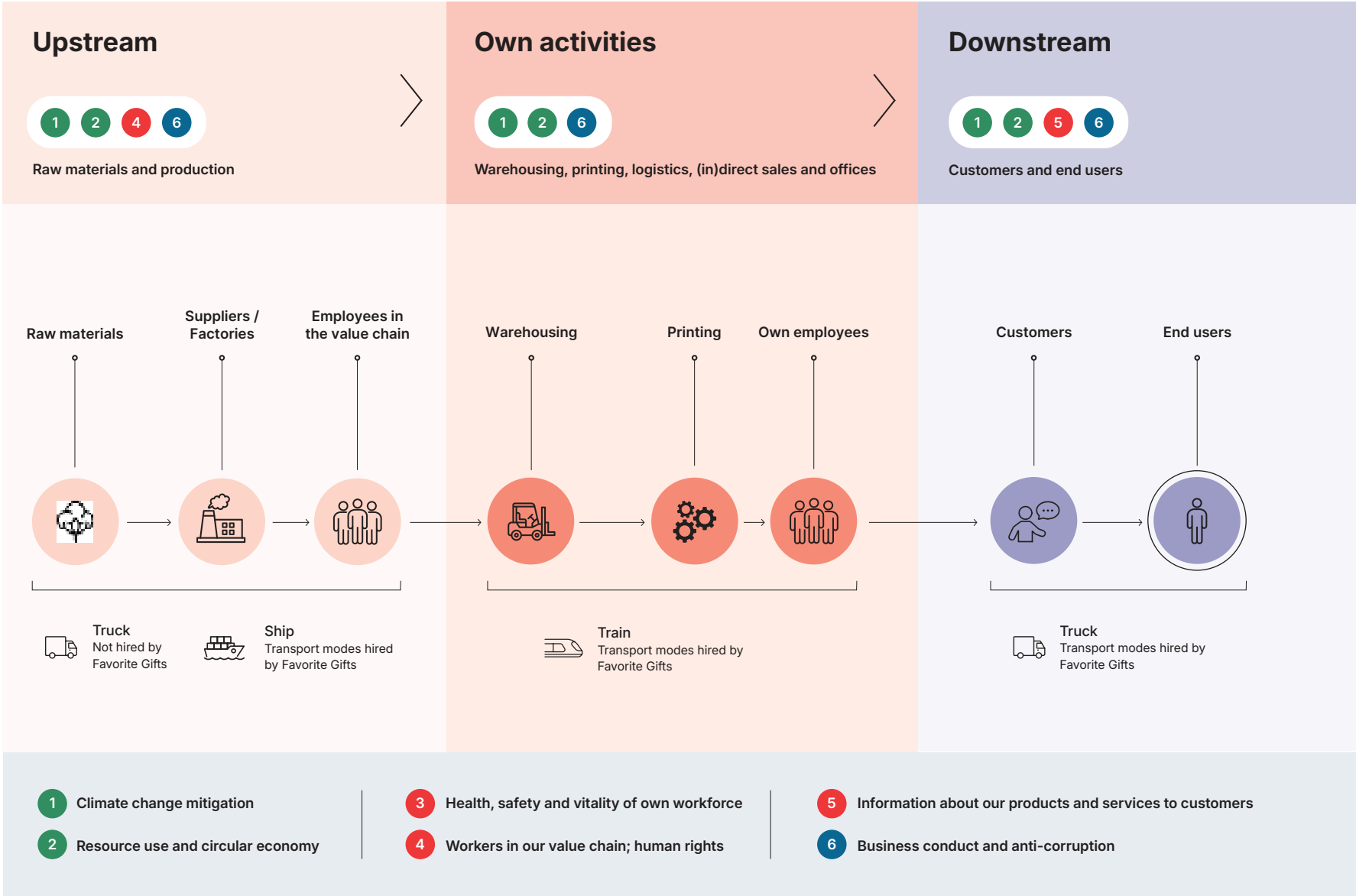
We reach defined targets and KPI's with happy colleagues and for happy partners.



Position in the value chain

At Favorite Gifts, we procure our products directly from South-East Asia and indirectly from European suppliers. Raw material sourcing, manufacturing, transport by machines and labour are key activities in our upstream value chain. Within our own operations, the focus is on transportation, warehousing, printing with our own employees. We sell to business customers that distribute our products as promotional gifts to end users. As more than 75% of our sourcing is direct, we simplified the visualization of our value chain for readability reasons, where the upstream activities represent our non-European sourcing activities.

To shape our sustainability ambitions, we take into account the level of influence we have on the different activities in our value chain. Where we can directly influence our own operations, we are depending on the collaboration with our suppliers to make progress upstream. Downstream is more difficult to influence and focuses on inspiring and advising customers.



Management

Favorite Gifts is a family-owned business and is managed by a Board of Directors consisting of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and Chief Commercial Officer (CCO).

The board is responsible for setting the company's strategy and goals, overseeing operations, and leading by example.



Arno van Helden

CEO & Chairman
Executive member
Male (1972)

Appointment
01-01-1995

Responsibilities
Board, Product Management



Michiel Warners

CFO
Executive member
Male (1975)

Appointment
01-01-2013

Responsibilities
Finance, HR, IT, Data & Systems, Operational Purchase, Sustainability & Compliance



Norbert Koop

COO
Executive member
Male (1964)

Appointment
01-12-2018

Responsibilities
Operations (Logistics & Printing), QHSE

Lieke Duijmelings

CCO
Executive member
Female

Appointment
01-09-2025

Responsibilities
Sales & Marketing

Our Sustainability Strategy

Our stakeholder engagement supports our materiality assessment which results in a clear and focused approach in our sustainability agenda

Stakeholder engagement and materiality
Doing business means interacting with many stakeholders on a day-to-day basis. Through our regular engagement we learn about their interests, views and expectations which also includes sustainability related matters. As part of the preparations for the Corporate Sustainability Reporting Directive (CSRD) and to shape our sustainability strategy, we involved our key stakeholders in the process of our double materiality assessment (DMA). We involved them through a structured stakeholder analysis end 2023 to early 2024 including specific stakeholder consultations.

Our DMA was focused on identifying the most material sustainability related impacts, risks and opportunities (IRO) in relation to a variety of different topics in the environmental, social and governance dimension. We applied the approach defined in the European Sustainability Reporting Standards (ESRS) to include relevant considerations in our assessment.

From a long list of over 25 topics, we concluded the following topics to be material for Favorite Gifts.

Material sustainability topics

A more detailed description of these material topics can be found in the section Identifying material IRO's of Appendix A. Basis for preparation.



1 Climate change mitigation



2 Resource use and circular economy



3 Health, safety and vitality of own workforce



4 Human rights of workers in the value chain



5 Information about our products and services to customers



6 Business conduct and anti-corruption

Sustainability Strategy

Aligned with our mission and ambitions, shaped by our DMA and driven by our core values, our sustainability strategy directs our approach for the coming years. We structured our strategy in three pillars covering our material topics and guiding us on the areas we want to make progress.

Integrating sustainability in our business

The implementation of our sustainability strategy falls under the responsibility of our CFO. A dedicated Sustainability & Compliance Manager is in the lead for initiating and monitoring implementation actions and reports directly to the CFO. Cross-functional project groups drive the execution of specific projects and initiatives both within our organisation and in collaboration with value chain partners. This helps build internal commitment and making progress towards our sustainability targets.

Sustainability-related policies have been formally approved by the board of Favorite Gifts. We inform staff about our progress through the monthly Favorite Gifts newsletter and our half-yearly Board roadshows. The membership of UN Global Compact Netherlands helps us develop our competencies by guidance and training.

We also inform stakeholders about our progress through a dedicated section on our website, our annual Sustainability Report and informing UN Global Compact through the annual Communication on Progress.
More information about the alignment of our strategy with the UN Sustainable Development Goals and our statement on sustainability due diligence can be found in Appendix D. Aligning with the Sustainable Development Goals & Statement on due diligence

Environment

Enhance product sustainability

- Reduce operational GHG emissions
- Increase circularity
- Reduce waste

Material topics

- Climate change mitigation
- Resource use and circular economy

Social

Invest in people

- Ensure good working conditions
- Offer a safe working place

Material topics

- Health, safety and vitality of own workforce
- Human rights in value chain

Enable customers making responsible choices

- Being transparent about environmental impact of products
- Offer sustainable product alternatives

Material topics

- Information about our products and services to customers

Governance

Conducting ethical and transparent businesses

- Apply and stimulate sound business conduct

Material topics

- Business conduct and anti-corruption

Environment

Our activities generate Greenhouse Gas (GHG) emissions, primarily during the production and transportation of products. In addition, the printing process of our facilities in Poland and the transportation of sales orders to their delivery destinations produce GHG emissions.

With the raw materials from natural or fossil sources in the products we sell including their packaging, we indirectly have negative impact on the environment. In addition, our business generates waste through our printing process, packaging and the end-of-life of products. We can make a positive impact by focusing on the circularity of products, including packaging and waste reduction, including water.





Climate change

At Favorite Gifts, we serve our customers with a great variety of promotional products in our assortment. Many of these products are manufactured in South-East Asia and shipped by boat to our facilities in Europe. Our energy consumption is mainly driven by warehousing and our printing facilities. Another large contributor in our footprint is the outbound distribution to customers.

Our approach

We want to contribute to climate change mitigation by working towards Paris-aligned emission reduction targets. This starts with gaining and enhancing insight in our total scope 1, 2 and 3 emissions, hotspots and reduction potential. Within our own operations, we focus on energy efficiency and the transition to low-carbon energy sources, such as renewable energy. And to minimise our waste production. We depend on collaboration with logistics partners to reduce upstream transport emissions. For our products, we can make a difference by sourcing lower-carbon products, for example with a higher share of circular materials. This is a complex task as this requires detailed product data for a large assortment. In addition, we need to balance our decision making for our assortment with economic and safety parameters. Besides our own responsibility to make our assortment more sustainable, we also aim to involve our customers by promoting lower-carbon alternatives for certain products.

This publication forms the start of our periodic evaluation and further development of our climate transition plan. We will measure our results against the targets and periodically review our targets as we gain more insight and learn about the effectiveness of our reduction measures.

Our ambition to reduce our emissions in line with the Paris Climate Agreement to limit global warming to 1.5°C by 2050

Net Zero in 2050

Climate transition planning - Our first steps

Category	Scope 1 and 2	Scope 3
Key emission sources	• Combustion of fossil fuels and the use of electricity in our facilities and our vehicle fleet	• Purchased goods and services • Upstream transport and distribution
Key emission reduction measures	**Energy efficiency improvements**	**Improving emission data** By strengthening our collaboration with suppliers, we expect to gain a better understanding of the composition, circularity and carbon footprint of products, which will improve our ability to manage these aspects.
	Electrication of company vehicles	**Sourcing more circular products** We are engaging with suppliers to discuss the use of more recycled or reused materials in their products. In addition, we are actively seeking more circular alternatives within our existing products portfolio and aim to encourage our customers to choose more circular alternatives.
	Purchasing more renewable electricity	**Sourcing more locally** By sourcing an increasing share of our product portfolio from suppliers located closer to our markets, transportation distances can be reduced. Furthermore, these products can often be transported by road, rail, or short-sea freight, which typically have a lower carbon footprint than long-distance international transport.

Our GHG emission reduction targets

compared with the base year 2025

	Scope 1	Scope 2	Scope 3
Short term (2027)	-10%	-10%	-5%
Medium term (2032)	-60%	-60%	-20%
Long term (2050)	-100%	-100%	-90%

While we have defined initial emission reduction targets and identified key reduction measures, we also recognize that carbon accounting remains a developing field. The methodologies, data availability, and transparency of emissions information continue to evolve rapidly. As a result, our current understanding of our climate impact should be viewed as a starting point rather than a final destination. Further research, improved supplier engagement, and enhanced data quality will be essential to refine both our footprint calculations and our decarbonisation strategy over time.

About our approach to reach net zero



Net Zero in 2050

Scope 1 and 2 emissions

Although Scope 1 and Scope 2 emissions represent only a relatively small share of our overall climate footprint, they remain under our direct operational control and therefore present an important opportunity for action. The most significant opportunities currently identified include:

- Reducing energy consumption.
- Increasing the use of renewable electricity, particularly at our Polish facilities.
- Electrifying the company vehicle fleet.

Based on our current understanding, **we believe a reduction target of 60% for Scope 1 and Scope 2 emissions by 2032 compared with the 2025 base year** is broadly aligned with science-based decarbonisation principles.

Scope 3 emissions

As a trading company operating in the promotional products market, most of our GHG emissions occur in our value chain (scope 3).. Based on our current GHG inventory, the largest sources of emissions are associated with:

- Scope 3 Category 3.1: Purchased Goods and Services
- Scope 3 Category 3.4: Upstream Transportation and Distribution

This profile is consistent with the nature of our business. Favorite Gifts sources a significant proportion of its product portfolio from manufacturers and suppliers located in Asia, while our production and warehousing activities are based in Poland.. Today, our carbon footprint calculations rely on industry-average emission factors, Bills of Materials (BoMs), and lifecycle databases such as Ecoinvent. While these methodologies provide a reasonable estimate, they do not always accurately reflect the actual environmental performance of individual products or suppliers. Several strategic suppliers, including brands that already publish environmental performance information such as Dopper, may provide opportunities to replace generic assumptions with more representative product-specific data. **With improved emission data, we expect to be able to report an annual reduction in emissions of 5%.**

Through this improved understanding of the circularity and carbon intensity of products, Favorite Gifts is able to make more targeted purchasing decisions. We are already engaging with suppliers to encourage the use of recycled and reused materials in products and components. Particular attention will be given to materials that are widely used within our largest product categories, including plastics, recycled plastics (R-PET), polyester, ABS, aluminium and stainless steel. Based on current initiatives and discussions with suppliers, we expect that a larger proportion of product components purchased from 2026 onwards will contain recycled material. Although uncertainty remains, our initial estimate suggests that these efforts could contribute approximately 5% Scope 3 emission reductions in the short term. For the medium term, **we continue to source more circular products to achieve annual reductions of approximately 2-3%. Our efforts aim at improved product design, material selection, and supplier collaboration.**

A third pillar of our transition plan is the **exploration of more local sourcing opportunities.** Historically, Favorite Gifts has sourced a large portion of its products from Asia. Following the upcoming integration of Clipper, a greater proportion of the combined product portfolio will be sourced from European suppliers and brands. We believe there are several reasons why European sourcing may contribute to lower environmental impacts:

- Reduced transportation distances.
- Increased use of lower-impact transport modalities such as road and rail.
- Better access to sustainability-related product information.
- Greater opportunities for direct supplier engagement.
- A higher likelihood that suppliers already have established sustainability programmes and circular product offerings.

Other scope 3 reduction relate to transportation. Transport currently accounts for approximately 7.5% of total Scope 3 emissions, with inbound transport representing roughly 5% and outbound transport approximately 2.5%. In the short term, our focus is on improving transport emissions data by obtaining actual carrier and supplier emission information where available, rather than relying solely on distance-based estimates and generic emission factors.

Performance in 2025

We are proud of the progress we made in our carbon foot printing over 2025. We have been working on extensive data collection to determine the carbon footprint of our products since 2023. We have completed this project for the stockholding products we sold in 2025, which contribute to over 75% of our sales. In addition, we calculated all relevant other sources of GHG emissions which resulted in the presentation of our full scope 1, 2 and 3 corporate carbon footprint in this report. More information about the calculation methodology can be found in Appendix A.

Total GHG-emissions in tCO_2e	2024	2025
Scope 1	394	370
Scope 2	1,353	1,369
Scope 3	Not reported	32,321
Total emissions	1,747	34,060

Our scope 1 emissions consist of combustion of fossil fuels in our facilities and our vehicle fleet. The vast majority of our scope 2 emissions are caused by the electricity we sourced. As most of our operational activities take place in our facilities in Poland, this location is the main contributor to our scope 1 and 2 emissions.

Scope 3 GHG-emissions in tCO_2e	2025
3.1 Purchased goods & services	28,362
3.2 Capital Goods	238
3.3 Fuel and energy-related	523
3.4 Upstream transport & distribution	2,441
3.5 Waste from own operations	215
3.6 Business travel	51
3.7 Employee commuting	491
Total scope 3 emissions	**32,321**

Due to the nature of our business, most of our emissions are locked in the products and services we procure. Around 75% of all our scope 3 emissions come from our purchased products and our inbound and outbound transport contributes to around 8% of our scope 3 footprint. These are the two main categories we will focus on in our climate transition plan.

Implementation actions

During 2025, we focused on collecting emission data for the implementation of carbon reduction measures for the year 2026. For purchased goods and services Bill of Materials were processed in our sustainability platform, the transport & distribution distances were calculated based on locations and modes of transport and new data was collected on business travel and employee commuting.

REDUCE
RETHINK
MOVE FORWARD



Resource use and circular economy

Favorite Gifts purchases complete products which, in most cases, are composed from different types of material. Understanding the material composition of products including their packaging provides us insights in the impacts we indirectly have on natural resources. We have put significant efforts during the past years in obtaining a Bill of Material for products in our assortment. These bills contain information about the composition of the product and their packaging. We keep investing in enhancing our databases, especially for products we sell from stock (representing over 75% of our sales volume). This forms a solid basis to investigate where we can cut unnecessary materials and change raw materials for more circular alternatives.

Our approach

Our strategic focus is two-fold. We aim to reduce the use of raw materials in our products by taking circularity into account in our sourcing strategy. We also work towards reducing waste in our operations including packaging materials and waste.

Responsible sourcing

So far, we have mainly focused on data collection to gain insight in the materials profile of our products and suppliers. We will continue investing in data gathering on product – supplier level, for example also on products we purchase from European partners. We also take next steps in analysing our product portfolio and related suppliers to identify opportunities for changing our product mix towards more sustainable products. One example is our target to increase the use of circular materials in the products we source, which will be driven by our climate transition plan where we focus on more low carbon product alternatives, which we expect to be realised through more circular materials use (such as recycled plastics, carton, metals etc). This requires the registration of raw materials of everything we source using the Root Carbon Emissions Calculator. In 2025 we set the target that for 80% of our Impression assortment and 100% of new purchases the raw materials are registered on products and packaging.

In 2025 we also set the target that 50% of our new purchase items in 2025 contain certified recycled materials.

We also prioritise FSC-certified wood, paper and cardboard products where possible. With FSC, we provide proof that forest-based materials come from responsible managed forests and traceability of these materials throughout the supply chain.

Our target is that all products of our own imported assortment containing wood and other forest-based materials and within the scope of EUDR to be sourced through FSC-certified supply chains by 2026. By combining FSC certification with our EUDR due diligence approach, we strengthen transparency and responsible management of forest-derived raw materials. We also focus on more volume sold under GRS/RCS certification support the circularity and use of recycled materials in our products.

Managing waste

There are three types of waste related to our activities that require different approaches.

- Products and product related waste
- Packaging waste
- Downstream end-of life of products sold

Products and product related waste

Within our own operations, we focus on quality and efficiency of our printing processes to reduce waste, for example by reducing the amount of printing errors. At the same time we have programs in place to prevent negative impacts of waste related to the chemicals we use and water usage. We focus primarily on our main operating location in Poland, where waste reporting forms part of local regulatory requirements. In 2025 we started registering the total quantity of waste in kg, map the % of recycled waste and the total quantity of hazardous materials. Our objective for waste reduction is to reduce packaging waste in line with PPWR, to minimize waste of our stockholding products via quality- and compliance checks with our upstream suppliers and by placing the correct waste disposal instructions on our products.

Packaging waste

The reduction of packaging material and improvement of the percentages of circular materials will generate cost efficiencies for Favorite Gifts, as well as environmental benefits. We follow the objectives and roadmap of the EU Packaging and Packaging Waste Regulation (PPWR) that came into force on 12 August 2026. The Regulation gives good direction to make progress on improving the sustainability for this waste stream. Although the regulation comes with complexities and challenges for data gathering and administration, we take the implementation serious and making the right steps, with help of professional consultants and tooling. We set target in 2025 that 20% of our new purchased items contains packing materials of recycled material.

Downstream end-of life of products sold

One area that is very difficult to influence, is the behaviour of the end users of our products. We have a mutual interest with our customers to maximise the use and durability of promotional products. Currently, we focus on advising customers on optimal promotion and branding with transparency about product information.

Working on circularity has a positive effect on our carbon footprint and therefore contributes to our climate change challenge. At the same time, we can make a positive impact on our customers by inspiring them on more circular alternatives in our product portfolio. These examples illustrate the interrelation between our material topics.

Performance in 2025

- FSC Certification obtained
- 61 FSC Certified products added to the assortment, 58 replacing similar non-certified items
- Start up of GRS/ RCS & OCS Certification
- 80,8% of imported products have a carbon footprint based on specified bill of materials

REDUCE
RETHINK
MOVE FORWARD

Resource inflows key materials in tonnes (Stockholding products)	2025	Recycled
Plastics	2,020	10%
Metals & minerals	1,020	10%
Paper & cardboard	954	0%
Glass & ceramics	130	0%
Textiles & fibres	126	8%
Wood & Bio-based	126	0%
Other	216	0%
Total weight of materials	**4,592**	**7%**

Plastics, metals & minerals and paper & cardboard represent the bulk of materials in our products. Since this year we are able to report the weight of materials and recycling rate based on the Bill of Material we recorded for our stockholding assortment. While our data shows no recycled paper and cardboard, we know that a portion of these volumes is recycled, yet not measurable. The same applies for recycled wood, of which we know a part of our volume is recycled, but given our current data position this is not yet measurable. 2024 Data is not available.

Packaging stockholding products	2025
Paper & cardboard	11.182
Plastics	2.437
Other	13
Total weight of materials	**13.632**

Over 2025, we made good progress by tracking the packaging volumes per type of primary packaging material. Next steps include data improvements for the PPWR implementation and getting insights in the circularity of packaging materials sourced. 2024 Data is not available.

Resource outflows of waste in tonnes	2024	2025
Non-hazardous	284	314
Hazardous	21	25
Total weight of materials	**305**	**339**
Recycled waste	**35%**	**27%**

Favorite Gifts generates limited amounts of waste compared to the resource inflow of products and packaging.

Implementation actions

FSC Certification

As part of our responsible sourcing strategy, we worked together with suppliers to ensure wood, paper and cardboard in our stockholding products come from responsibly managed forests. We are proud of the FSC Certification we received in September 2025, for 61 of the 120 EUDR products identified.

We will continue adding new products to the scope of the FSC Certification with the goal of obtaining 100% coverage of EUDR products in 2026. This initiative aligns with our preparations for the European Union Deforestation Regulation (EUDR) as these products are in scope as of 30 December 2026. The work with FSC serves as important element of our due diligence approach for the EUDR.

Enhancing circularity

The insights we obtained in the materials composition of our products, help us to apply a targeted approach towards our circular objectives. We are preparing for obtaining certification for the GRS (Global Recycled Standard), Organic Content Standard (OCS) and RCS (Recycled Claim Standard) and Orin 2026 to help us verify recycled content in selected product categories and improve traceability of these materials in the supply chain. This forms the basis for increasing the use of recycled materials in the coming years.

Waste management

Our own waste streams are mainly caused by rejected products and their packaging, or the waste as a result of our production. This is most relevant for our facilities in Poland..

Waste in Poland is registered via our waste collection partners, using European Waste Catalogue (EWC) codes. These codes group waste based on the source of the waste, the type of waste and its hazardous properties. Waste reporting and legal registration is officially done to the Polish BDO system (Database on Products, Packaging and Waste Management. This provides additional control over waste streams, including hazardous waste generated from production and printing activities. More information about our waste and water management can be found in Appendix B.

REDUCE
RETHINK
MOVE FORWARD

One action we implemented early 2025 is to work more paperless in our operations to help reducing waste. Paper order sheets are eliminated, all order- and print documents are digital.

Implementing new regulations in 2026

In addition to our efforts to improve material use and circularity, two important and complex new EU regulations need to be implemented during 2026, the PPWR and EUDR. We started preparing for these projects in 2025 and allocated serious resource capacity for the implementation. Key challenges include complexity and data gathering. In our action plan, three elements stand out.

1. *Thorough understanding of our obligations*
2. *Information gathering from suppliers*
3. *Implementing professional and market-leading software.*

While the PPWR focuses in 2026 on transparency about the composition and compliance of packaging, the EUDR ensures that certain types of products imported in the EU are free of recent deforestation. Examples include wood, rubber and coffee. At the time of reporting, projects have been established together with external consulting partners and software providers to support compliance and develop an efficient approach to these regulations.



Social

Offering favourable working conditions is key to keep our employees safe and healthy and to ensure the wellbeing of our workforce. Especially as a significant share of our employees are blue-collar workers. Keeping our employees happy also creates positive impact to our stakeholders.

As we do business in international supply chains, risk of human rights violations unfortunately exist. This could potentially lead to situations in which our suppliers are associated with forced or child labour, inadequate wages, excessive working hours or unsafe working conditions. We want to contribute to the protection of human rights of workers in the value chain to the extent our influence reaches.

As international trading company, we also act as information intermediary. In a high volume business with high speed transactions, sound information about products and services is a license to operate. While inadequate information of false claims, including sustainability related, can lead to operational and reputational issues, being distinctive offers chances to grow and help customers make more sustainable decisions.



Our own workforce

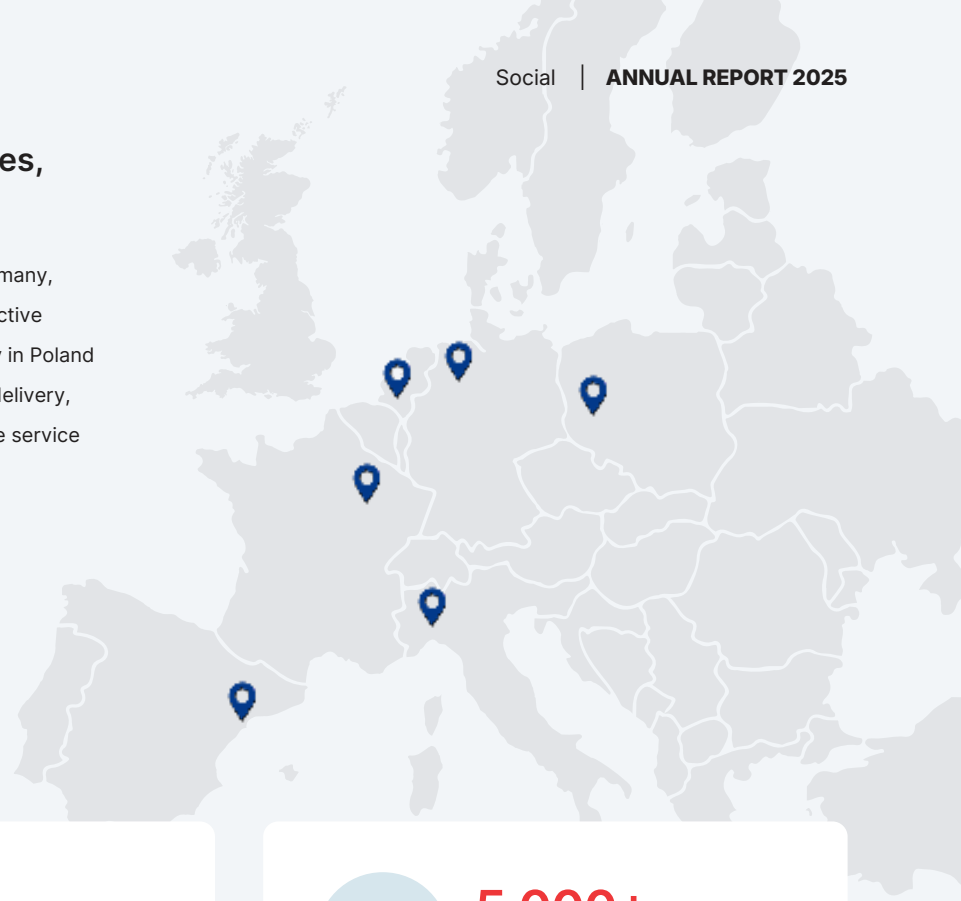
Favorite Gifts wants to be a good employer. For us this means that we have to provide a working environment where people are happy and able to thrive. We focus on many topics including adequate pay, work-life balance, equality, training and development, diversity and inclusion.

We formalised policies and arrangements on different HR topics in our Employee handbook of which every employee receives a copy and which is available in our intranet. Based on our materiality assessment, two topics stand out where our impacts are more material: Health, safety & vitality and Human rights in the value chain. While this chapter focuses on our key material topics health, safety & vitality and human rights, more information about the other relevant topics can be found in Appendix B.

CARE
CONNECT
GROW TOGETHER

Offices in seven countries, active across Europe

With offices in France, Italy, Spain, Germany, the Netherlands and Belgium, we are active across Europe. Our own printing facility in Poland ensures high-quality printing and fast delivery, allowing us to provide the best possible service throughout Europe.



Favorite Gifts at a glance

450+
employees

5.000+
Unique products on stock

Active in
7 countries

14
nationalities

Health, Safety and vitality

At Favorite Gifts, we see our people as our most important asset. Therefore, it is crucial to continuously invest in our employees, to ensure we keep them safe, healthy and engaged. Offering favourable working conditions in general has always been very important at Favorite Gifts and this is demonstrated by many arrangements and initiatives driven by our HR department. One key aspect is to safeguard the health, safety and vitality of our people at all times.

Our approach

As everyone within the company needs to be safe, Favorite Gifts starting point is a formal Health, Safety and Working Conditions policy that applies to all employees. In addition, we have laid down our general agreements and way of working in a personnel handbook which every employee receives and is available on our intranet. Through engagement with our employees we learn what goes well and where we need to improve. This is important to make the right choices in where we should invest. We use the Risk Inventory & Evaluation (RI&E) mechanism required by the government as tool for prevention, identifying improvement areas in order to limit the chance of work-related accidents. This is important as accidents could harm our people. But also business wise this is important as related absenteeism has cost implications for the company. From the RI&E process, there are several topics on our implementation agenda to focus on, including general working conditions, noise, lighting, behaviour at the workplace, monitoring screenwork for office staff, use of chemicals, hazards related to machine use, psychological threats and physical work.

Composition of our workforce

With around 450 employees from 14 nationalities operating from 7 countries, we have a diverse workforce. Our profile roughly can be summarised as headquartered in The Netherland, operational facilities in Poland and regional sales offices in Belgium, France, Germany, Italy and Spain.

Workforce in headcount 2025	Female	Male	Total
Poland	247	66	313
Netherlands	52	37	89
Other	28	25	53
Total number of employees	**327**	**128**	**455**

Temporary agency workers as indicated	2024	2025
Number of workers temporarily hired	70	86
Relative amount to own workforce	15,5%	18,9%

To support responsible employment practices while maintaining operational flexibility, we monitor the proportion of temporary agency workers, especially within our Polish operations. Due to seasonal demand fluctuations, a limited use of temporary labour is required to cover peak seasons. Although the relative amount slightly increased compared to 2024, the performance is well within our target of maximum 33%.



Diversity in management as indicated	2024	2025
Share of females in middle management	44%	43%
Share of males in middle management	56%	57%
Total	**100%**	**100%**
Share of females in top management	0%	25%
Share of males in top management	100%	75%
Total	**100%**	**100%**

For Favorite Gifts, measuring the gender diversity in middle management level provides a representative view on how well balanced our workforce is composed. We want to provide equal opportunities regardless the employee's gender. A healthy balance for Favorite Gifts means a ratio between 40% and 60% either way. Our results are stable within the desired bandwidth. In 2025 our Board of Directors consisted of four personas, of which one was a female director.

Employee turnover relative amount

Employee turnover rate measures the percentage of employees who leave the organization in 2025 relative to the average workforce of 2025.

	2024	2025
Employees that left the company	11.5%	12.3%
New hires	17.8 %	12.7%

The results demonstrated that the investment we made in the professional team in our warehouse and printing facilities were effective and lead to a more stable turnover rate compared to the years before 2024.

- All data in this chapter is based on headcount
- All data based on 31/12/2025

Performance in 2025

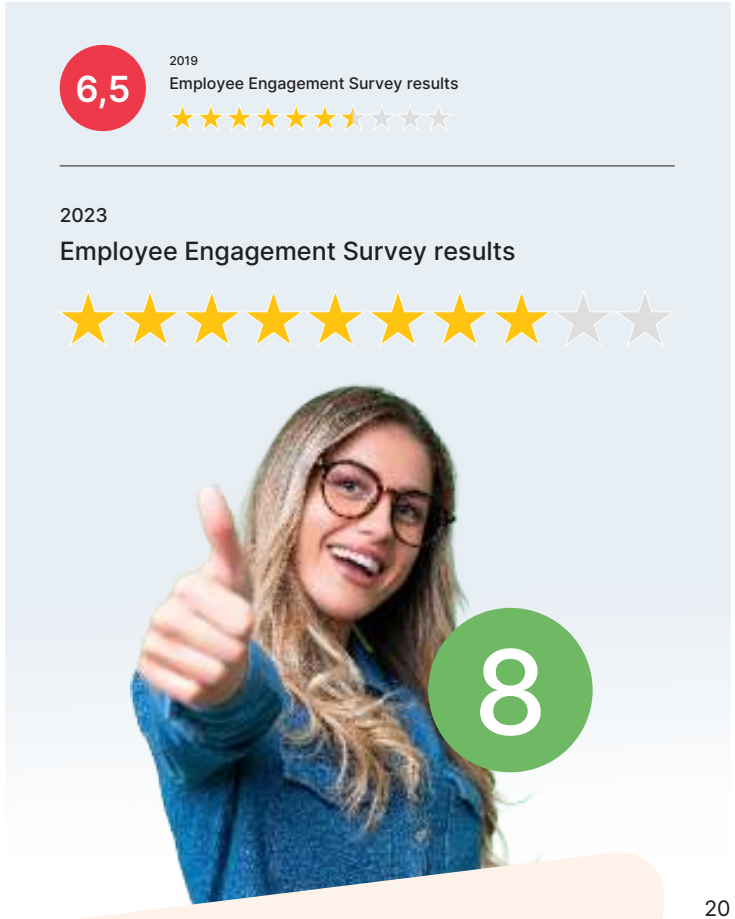
We work with a safety management system managed by our QHSE department which covers 100% of our staff. Incident and illness reporting forms part of this system and we track our performance by common indicators in the sector.

Health and safety metrics as indicated	2024	2025
Number of fatalities from work-related accidents or ill health	0	0
Number of work-related accidents	1	0
Rate of work-related accidents (per million hours worked)	1.51	0.00
Number of cases of occupational diseases	0	0
Number of absence days due to work-related accidents or occupational diseases	82	0

We are proud to share that no work-related reportable accidents or cases of ill-health were reported in 2025. We continue to invest in both adequate measures to prevent accidents and building awareness on the importance of reporting hazards and incidents to maintain this level of performance.

Employee engagement

One of our tools for monitoring is our employee satisfaction survey conducted every three years. We encourage active participation throughout this feedback mechanism. It provides an type of employee dialogue and gives the Board the opportunity to take appropriate actions and implement improvements. A new survey is expected end of 2026.



Implementation actions

Risk inventory and evaluation

The RI&E is a continuous process embedded in our day-to-day practice. We evaluate results periodically internally and also discuss these during quarterly meetings with the ARBO Services. Our Health & Safety Committee reviews and discusses results and action plans. This goes also beyond incidents for individuals and emergency plans are also in place for example.

This includes for example:

- Tax discount sport membership (NL)
- Height adjustable desk
- Fruit at work (NL)
- Choice of healthy meals (PL)
- Access to company doctor and medical examination
- Emergency response plan
- Protective equipment
- Safety training (PL)



Way of Working within Favorite Gifts

We promote human rights awareness within and beyond Favorite Gifts. Internally, we've established a Human Rights Policy and a 'Way of Working (WOW BOOK)', shared with all staff in 8 languages. This ensures everyone understands and respects human rights and expected behavior — a shared responsibility toward colleagues and everyone involved in our business.

CARE
CONNECT
GROW TOGETHER

Human rights

At Favorite Gifts, we want to ensure our products are manufactured responsibly. Transparency in our value chain is important as it provides the opportunity to identify risks and improve processes to protect human rights. While we may not be able to influence every part of the chain directly, we aim to make a positive impact by purchasing at fair prices, by upholding strong ethical standards within our own operations, and by treating our own people well.

Our approach to workers in our value chain

To demonstrate our commitment and apply internationally recognised standards, Favorite Gifts joined the UN Global Compact Netherlands, which means we conduct our business in alignment with the UN Guiding Principles on Business and Human Rights and ILO Core Conventions. We have formalised our way of working in a Human Rights policy, which we actively share with our business partners for them to follow. The scope includes own employees, personnel of suppliers and customers including also migrant workers. Key elements in our policy include:

- Strictly prohibit child labour, and forced labour or compulsory labour, human trafficking or slavery across our value chain (including customers and partners).
- Respect freedom of association and the right to collective bargaining.
- Guarantee safe and healthy working conditions.
- Do not tolerate discrimination based on gender, age, origin, religion, or other characteristics and prevent any disciplinary practices related to all worker rights.
- Ensure fair wages and reasonable working hours, including non-discriminatory practices which may include but is not limited to (gender) diversity and equal pay or other types of compensation as outlined in our Equal Pay policy.

Favorite Gifts applies a risk-based approach in the translation of policy into concrete actions. It starts with due diligence to understand labour related practices in our supply chain. This helps us to understand specific risks, so we can tailor the necessary improvement actions to higher risk regions, suppliers or general topics. We also work with a supplier code of conduct (SCOC) and Amfori BSCI to engage with suppliers on social standards and working conditions.

Performance 2025

We are satisfied that through our grievance channels, including management notifications, HR department and the Dutch external confidential counsellor, we did not receive complaints on human rights breaches in 2025.
As reporting numbers alone are not a reliable indicator of organizational culture, we remain committed to fostering a speak-up culture and ensuring that employees and other stakeholders can raise concerns safely and confidentially.

We also continued our engagement with suppliers on human rights commitments with the goal of further growth in share of number of purchased products and respective volume from suppliers that signed our code of conduct and undergo Amfori BSCI audits.

Supplier code of conduct signed as indicated

Status on 31 December	2024	2025	2025 target	2026 target
Share of purchased products	83%	88%	90%	90%
Share of purchased volume	96%	98%	98%	90%
% of suppliers	x	83,5%	x%	90%

Amfori BSCI status as indicated

Status on 31 December	2024	2025	2025 target	2026 target
Share of purchased products from audited factories	54%	67%	65%	75%
Share of purchased volume from audited factories	59%	87%	65%	90%

The above results show continued progress in mapping social compliance within our supply chain. While the share of products increased in line with target, the most significant improvement is seen in our purchasing volume. This indicates that our highest volume manufacturing locations are increasingly aligned with our sourcing requirements.

In the future increased efforts are done on social copmliance besides amfori audits. EUDR/FSC also support this topic.

Implementation actions

This approach helps Favorite Gifts to identify, prevent, mitigate and remediate labour-related risks as well as human rights breaches. In evaluating the performance of suppliers, we set certain thresholds to help us decide where improvement actions are needed. This includes for example a minimum overall “C” score and Only “A” score acceptable on child and forced labour. the graphic below, illustrates our performance evaluation method.

Supplier code of conduct roll-out

In 2025 we completed a supplier risk assessment to identify for which of our supplier higher inherent risks exist on labour practices. We used the Corruption Perceptions Index of Transparency International as bases. We evaluated our suppliers by country/location, type (products and services) and the impact on our business. One example of risk identification is that the risk of corruption in China is much higher than in the European countries we source our products. Based on our assessment, we decided that we need to formally engage with all Tier 1 suppliers in South-East Asia on human rights. We require their commitment to our policies in the form of signing our Supplier Code of Conduct, of which registration is facilitated and recorded via DocuSign eSignature in line with EU regulations. Our SCOC is available on our website.

Assessing BSCI audit results

The Amfori BSCI programme is an important tool for Favorite Gifts in supply chain due diligence. The objective of this certification system is to monitor and improve social standards and working conditions within global supply chains. Through scheduled and announced audits, including on-site visits to the manufacturers of our products, the practices of our suppliers are scored on 13 elements. These elements include child labour, forced labour, occupational health & safety, working hours and fair remuneration. The scope of BSCI includes Tier 1 and Tier 2 manufacturers.

Accepted score
No action

Score is too low
Send request to supplier for improvement plan

Unacceptable score
Send request to supplier for improvement plan and escalate to Product Management by mail.

Principle Area		A	B	C	D	E
PA 1	Social management system and cascade effect					
PA 2	Workers involvement and Protection					
PA 3	The rights of freedom of Association and Collective bargaining					
PA 4	No discrimination, violence or harassment					
PA 5	Fair remuneration					
PA 6	Decent working hours					
PA 7	Occupational Health and Safety					
PA 8	No child labour					
PA 9	Special protection young workers					
PA 10	No precarious Employment					
PA 11	No bonded, forced labour or Human Trafficking					
PA 12	Protection of environment					
PA 13	Ethical business behaviour					

Customers and end users

As international trading company, we also act as information intermediary. In a high volume business with high speed transactions, sound information about products and services is a license to operate. While inadequate information of false claims, including sustainability related, can lead to operational and reputational issues, being distinctive offers chances to grow and help customers make more sustainable decisions.

Information about products and services

We want to be a trusted partner for our customers. Safeguarding high quality in products and processes is key. In addition, we want to inspire customers and act responsibly by sound ethical, social and environmental behaviour. Our aim is to contribute to the social wellbeing of customers and end users of our products.

Customers increasingly expect us to be transparent about the environmental impacts of our products. We want to engage with customers on our sustainability journey by raising awareness and making our product portfolio more sustainable. This starts with providing useful and accurate information about impacts, for example about the product carbon footprint or level of circularity. While we gradually improve the sustainability of our products, we see growth opportunities by helping customers with alternative, more sustainable options in our assortment.

Our approach

Three drivers of product transparency illustrate the importance of protecting and inspiring customers and end users:

- Laws and regulations
- Voluntary certification and labelling
- Being distinctive in the market

General product safety, Toy Safety, Food Contact Materials, REACH, RoHS, EUDR and the PPWR are examples of laws and regulations in scope of Favorite Gifts compliance programs. Product compliance is an important and basic driver for our approach and we take compliance seriously, managed by a dedicated team of professionals.

In addition to our legal requirements, we choose relevant product-related certification and labelling systems to demonstrate our commitment on sustainable development. FSC is one example and we are exploring other options to showcase the progress we make towards customers.

We also want to be an inspiration to customers and that means that sometimes we can help clients with product characteristics useful to drive sustainable choices for which no certification or framework exist. Communicating the carbon footprint per product is one example we actively work on.

Any claim we make has to be aligned with customers' needs, easy to understand and substantiated with objective evidence.

Performance 2025

At Favorite Gifts, we structurally monitor and evaluate the quality of our products and processes to assess our performance on our promises to customers. In time, we aim to also include sustainability-related promises in our dashboards as example of integrating sustainability in our customer performance measurement.

Customer performance indicators as indicated	Target	2024	2025
Active assortment stock availability	98%	96%	96%
Deliveries with exact quantities as per customer order	95%	96%	97%
On time shipment of print orders	95%	98%	96%
On time shipment of unprinted orders	98%	99%	99%
Product quality related claims	<1%	0.6%	0.6%
Logistics process related quality claims	<1%	0.6%	0.8%
Print quality related claims	<1%	1.0%	1.1%
Number of print proofs before approval to print	1.5	1.4	1.4
Timely created print proofs (3 hours)	90%	83%	81%
Relative amount of accepted claims related to all orders, including custom made orders	1%	2.2%	2,6%
Items withdrawn from the market due to safety issues	0%	0.00%	0.02%
Recall actions executed in the reporting period	0	2	2

We monitor our performance on a monthly basis and inform relevant departments about where improvements need to be made.

During the reporting year, Favorite Gifts had to withdraw two products from the market. We have taken necessary corrective actions, notified authorities and reviewed and where needed updated internal processes. All safety alerts on our items can be found publicly on www.flbv.eu/safety-alerts.

Implementation actions

Product carbon footprinting

During 2025, we made further steps in product carbon footprinting. From all stockholding products purchased directly from our overseas suppliers, we have determined the carbon footprint for 81% based on a product-specific bill of material. For the remainder of products (19%) we used proxy's based on comparable products to calculate the emissions. We obtained a bill of material for 90% of our newly introduced products. We will continue investing in data collection to achieve a 90% score for product carbon footprint of purchases with a specific bill of material in 2026.

For a large group of products with limited volumes, the administrative burden to obtain bills of material is high compared to the limited relevance of the impacts on our total footprint. Therefore, we choose to raise the bar to 90%.

Responsible wood, paper and cardboard

In 2025, we made an important change in our portfolio of wood, paper and cardboard based products. For 61 products, we started sourcing only those with FSC Certified materials in order to stimulate responsible forest management and making our assortment more sustainable. In conjunction with EUDR compliance, we work towards 100% FSC certification for all items that fall under the EUDR in 2026.

Communication of CO2-impact

After multiple years of preparation, we strive to introduce the publication of the carbon footprint of our products with customers in 2026. The footprint is based on Life Cycle Assessment data an includes all cradle-to-gate emissions of products in scope of our calculations. Besides emissions from material use, packaging, transport and our own operations are included. We aim to communicate the product carbon footprints through an API (Application programming interface) and online in the product pages.

Sustainability claims

We recognise the importance of transparent and reliable sustainability communication. In 2026, the EmpCo Directive (Empowering Consumers for the Green Transition Directive) comes into force, specifying rules for sustainability claims to customers. The certification systems we use for FSC, GRS / RCS / OCS, help us communicate about our sustainability achievements in a compliant way. Applying an ISO14040/14044 methodology for product carbon footprinting is another example of how we prevent misleading sustainability claims. In addition to prove the claims we make by certifications, we acknowledge the human factor in marketing the often technical specifications. Therefore, we have scheduled an in-house training on EmpCo for representatives of our compliance, product management and marketing departments in 2026.



Governance

At Favorite Gifts, we are committed to apply ethical business conduct in everything we do. This is a priority for management and important to protect a safe and fair working environment for all. This includes anti-corruption and anti-bribery as specific subtopics Favorite Gifts addresses in protocols, monitoring and reporting. We want to avoid doing harm and any related consequences as result of incidents of corruption at all times.





Business conduct and anti-corruption

At Favorite Gifts responsible governance is the foundation of the way we conduct business. We are committed to operating fairly, transparently and with integrity, while complying with applicable laws and regulations and internationally recognized standards across the different jurisdictions we operate in.

Our approach

We align our approach with the principles of the United Nations Global Compact, including Principle 10 on anti-corruption. We maintain a zero-tolerance approach towards bribery, corruption, fraud and other forms of unethical business conduct. We have implemented policies, actions and metrics to identify and mitigate these risks throughout our operations and value chain. Our objective is to prevent any form of misconduct and our results show that we remain well below the European average based on a 2023 Navex Whistleblowing & Incident Management Benchmark report.

As our business increasingly relies on digital systems and data, we also recognise the importance of information security and data privacy. Through policies, controls and employee awareness activities, we aim to protect confidential information, support business continuity and comply with applicable data protection requirements.

We foster a speak-up culture in which employees and external stakeholders can safely raise concerns or report misconduct without fear of retaliation.

Performance 2025

In 2025 no substantiated cases of bribery, corruption or anti-competitive behaviour were identified through our whistleblower channel, our confidential counsellor or within higher management of Favorite Gifts. While this may indicate a high level of ethical conduct, the company continues to promote awareness of the reporting mechanism to ensure employees and external stakeholders feel comfortable raising concerns when needed.

Implementation actions

Culture

We promote a culture of integrity, accountability and transparency. Our governance framework is supported by policies, procedures and internal controls to prevent corruption, fraud and any other form of misconduct, while protecting confidential information.

We encourage both employees and external stakeholders to speak up and report concerns without fear of retaliation. Our certified whistleblower channel provides a secure and confidential reporting mechanism, helping us identify and address potential issues. In 2025 no cases were identified in our whistleblower channel.

Toolkit

Our Way of Working (WOW) Book serves as a toolkit for employees and outlines our expectations regarding ethical business conduct, fair competition, anti-bribery and anti-corruption, responsible business relationships and the reporting of concerns. By providing clear guidance and promoting shared values, we aim to support consistent and responsible decision-making throughout the organization.

For a significant part of our customer portfolio, we assess ethical payment behaviour and financial reliability through credit assurance processes, supporting the identification and mitigation of potential integrity-related risks.

We plan to update our anti-corruption risk assessment and update training in 2026, as part of our bi-annual cycle.

The result of the first training:

% High-risk positions and executives that participated in the digital anti-corruption training and quiz.	% Non-risk functions that participated in the digital anti-corruption training and quiz.
77,5%	44,2%

Participation anti-corruption training & quiz	2024	Target 2026
For staff possibly encountering corruption or bribery	77,5%	**85%**
All other office staff having business email addresses	44,2%	**70%**

Information- and cyber security

Information security and cybersecurity are an integral part of our governance approach. As our business increasingly relies on digital systems and data, protecting company, customer, supplier and employee information is essential to maintaining trust and ensuring business continuity. To support this, Favorite Gifts has implemented an Information Security Policy based on the principles of confidentiality, integrity and availability of information.
In 2026 we plan to organize a security awareness training, so employees can recognize cyber risks at an early stage, act responsibly and contribute to a secure digital working environment. This since employees are one of the primary targets of cybercriminals. By training our employees, we reduce the likelihood of data breaches.

In 2025, we communicated information security requirements and responsibilities internally to strengthen employee awareness and support the secure handling of information and digital resources. All documents are available via our intranet portal.

We also performed IT audits (by our external financial auditor) and monthly threatscans in 2025 (by our external cyber security firm), Azure testing and darkweb monitoring of which results cannot be disclosed in our annual sustainability report for security reasons. The reports provide insights into vulnerabilities and show that no vulnerabilities have been reported.

Improving on EcoVadis

We use the EcoVadis rating framework to assess the maturity of our sustainability management system. Benchmarked with peers in our sector globally, we were ranked in the top 15% of companies assessed and therefore rewarded with a **Silver Medal**. We are satisfied that we improved our score compared to 2024, reflecting our ambitions and demonstrating our commitment to promote transparency on sustainable development throughout the value chain. EcoVadis is a globally recognised institute for trusted business sustainability ratings.



Whistleblower approach

Favorite Gifts condemns any form of discrimination and provides equal chances to all. We also stand firm against any form of bribery or corruption. We hope everybody feels free to speak up if you feel discriminated or experience unsafety in any way. Our whistleblower procedure helps employees and other stakeholders to raise concerns confidentially and without risk of retaliation. We use a certified whistleblower system to safeguard we deal with any misconduct reported appropriately.



Appendices

A. Basis for preparation

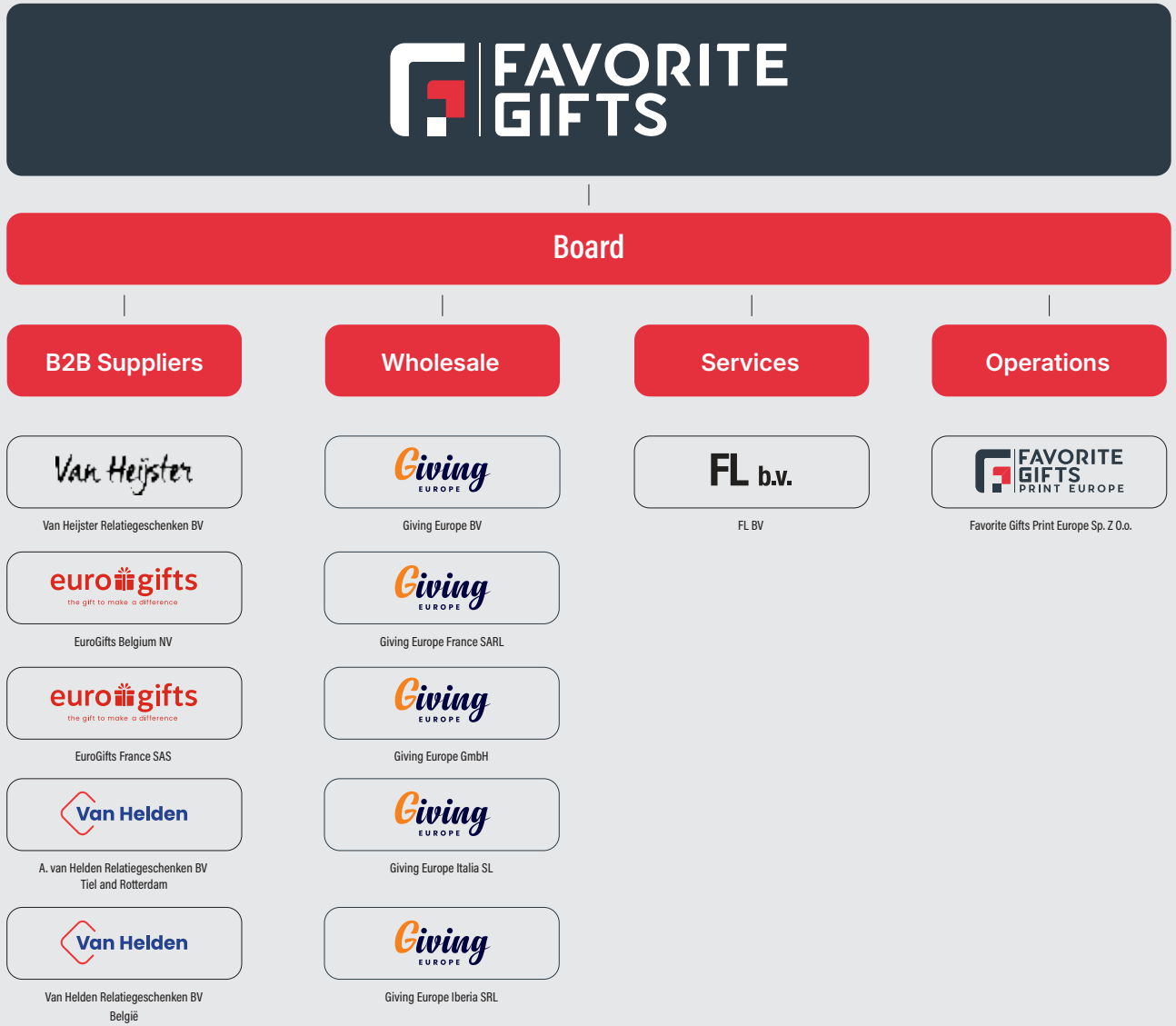
This sustainability report has been prepared for the reporting year from 1 January to 31 December 2025. All subsidiaries of Favorite Gifts are included in the reporting scope, consistent with our consolidated financial statements.
No entities have been excluded unless specifically mentioned.

Reporting criteria

This report has been prepared in accordance with the Voluntary Standards for SMEs (VSME or as of July 3 2026, the Voluntary Standard (VS)) as advised by the European Commission for companies that are no longer in scope of the CSRD, but seek to prepare sustainability disclosures in alignment with those reporting under the CSRD. Favorite Gifts has used the comprehensive module for advanced SME's.

This sustainability report reflects the strategy and management approach on all material sustainability topics of Favorite Gifts following the DMA finalised early 2024. In addition to the VSME disclosures, this report contains specific disclosures in line with the simplified ESRS as published by the European Commission before publication of this report. Examples include information about the impact on customers and end-users and human rights in the value chain and have been used to allow for better disclosure and reporting of topics which are not or partially covered by the VSME. These standards provide a valuable and robust framework for transparent reporting to stakeholders.
For information not covered by the standards mentioned above, Favorite Gifts developed company-specific criteria including definitions, methods and presentation formats.

Company structure



GHG emissions

For the accounting and reporting of GHG emissions in this report, Favorite Gifts applies the GHG Protocol as a generally accepted framework. The calculation of the product carbon footprints is in line with internationally recognised life cycle assessment (LCA) principles and executed following the ISO 14040/14044 standards.

Processes, systems and quality review

Favorite Gifts has different reporting processes in place for different information, depending on the nature of the information, responsible departments and systems used. The compliance department coordinates the process, performs quality review on input information and facilitates the process of report production. For quantitative information several systems are used, including ERP, HR systems, carbon footprinting software (Root) and where appropriate manual reports.

Assumptions, accounting estimates and uncertainty

Reporting on certain sustainability performance metrics involves the use of accounting estimates. Inherent limitations due to measurement uncertainty or data availability makes the use of estimates unavoidable for complete reporting. Favorite Gifts carefully considers the application of estimates and assumptions to ensure representative outcomes. Favorite Gifts strives to report sustainability information as accurate and complete as possible.

GHG emissions

Parts of the GHG emissions are based on extrapolation as not for all emission categories activity data is being measured. Examples include a small part of scope 3.2 Capital Goods and a part of the product carbon footprint data where no bill of material is available and proxies are used instead. For parts of the carbon footprint, Favorite Gifts used assumptions to determine the appropriate emissions factors for available input data. Examples include employee commuting and spend based calculations for non-product related scope 3.1 emissions for purchased goods and services.

As GHG emissions measurements are not feasible for Favorite Gifts, all calculations are based on using (as specific as possible) emissions factors for emission generating activities. These emission factors are based on averages published by professional parties using generally accepted sources, such as Ecoinvent and Exiobase.

Identifying material IRO's

Favorite Gifts shapes its sustainability agenda around the topics that matter most. This enables the company to apply a focused approach. The double materiality assessment that Favorite Gifts completed in anticipation of the CSRD early 2024, forms the basis of our efforts.

Stakeholder engagement

Favorite Gifts applied the considerations for the method of determining material IRO's as prescribed in the ESRS standards. Favorite Gifts chose to explicitly engage with relevant stakeholders to obtain input for potential material topics. Stakeholders engaged with include customers, suppliers and employees.

From long list to shortlist

We evaluated a long list of 26 different ESG topics based on the ISO26000 standard during our process. With the input of stakeholders and a desktop review, we internally discussed and assessed the relevance of each topic, leading to a shortlist of potential material topics.

Prioritising IRO's

For each topic on the shortlist, we identified, scored and evaluated related impacts, risks and opportunities in an in-depth session with the ESG team of Favorite Gifts. We assessed the identified IRO's on positive and negative impacts, actual and potential. Risks and opportunities we assessed by evaluating the financial effects and likelihood. We looked at IRO's in the entire value chain of Favorite Gifts, upstream, own operations and downstream.

Outcome and validation

We identified six material topics for Favorite Gifts based on material IRO's. A topic is material if the impact or financial materiality score exceeds a pre-defined threshold. Scoring was done through a quantitative method based on qualitative considerations.

The results have been validated by the Board of Directors of Favorite Gifts. For this 2025 Sustainability Report, we evaluated any significant changes in our operations or external environment that would require an update in the DMA. We did not identify any significant changes and therefore we deem the DMA outcomes valid for the reporting year 2025.

The table below outlines the identified material impacts, risks and opportunities that form the basis of the content of this report.

Overview of material IRO's

Material topics	Most important impact risk and/or opportunity	Impact /Financial materiality	Horizon of impact	Where in value chain	Reference in report
Environment					
Climate change mitigation and energy use	Our activities generate CO2 emissions, primarily during the production and transportation of our stockholding products. In addition, CO2 is emitted during the printing of our products in Poland and the transportation of sales orders to their delivery destinations.	I/F	Short		
Resource use and circular economy, including waste management	Our products, including their packaging, are made from raw materials. Waste management is included as a sub-theme within this material topic. Our operations, especially product printing and repacking-generate waste.. Waste also arises from misprinted or defective products, which often need to be destroyed. Additionally, we must comply with relevant packaging and labeling laws and regulations.	I/F	Long term		
Social					
Health, safety and vitality of our own workforce	Favorite Gifts wants to show good employment practice. We have a direct ability to positively influence the health, safety, and well-being of our own workforce-particularly as a significant portion of our employees are blue-collar workers. That includes maintaining a vital workforce by striving We strive to provide a good life-work balance.	I	Short		
Human rights for workers in our value chain	Given the scope and complexity of our value chain, it is crucial to protect human rights wherever we operate. These maybe most at risk in the regions we source where ethical and human rights face lower protection through legislation. We recognize that violations of human rights can lead to reputational damages	I	Mid and long term		
Information on our products and services	With increasing regulatory scrutiny around greenwashing and the EmpCo directive, it is more important than ever to communicate transparently and factually about our products and services. We recognize the financial risks related to claims or reputation for false or misleading product statements, but also see the opportunity in informing our customers transparently in better environmental alternatives for products	I/F	Mid and long term		
Governance					
Anti-corruption and proper business conduct	Corruption in any form can result in reputational damage and the undermining of a safe and fair working environment and the risks exists both in our own operations relating to procurement, production and sales activities. Any form of corruption may impact us financially	I/F	Mid and long term		

 **Upstream**

 **Own operation**

 **Downstream**

Use of the report

This report provides insight to all relevant stakeholders on the environmental, social and governance aspects of Favorite Gifts' operations. Intended users of this report include customers, employees, suppliers, other business partners and interested stakeholders.

Favorite Gifts acknowledges that sustainable development is an important part of doing business. Therefore, we want to be transparent about our ambitions, approach, performance and progress with this voluntary sustainability report.

Forward-looking information

Certain information in this report is forward-looking, such as information regarding objectives, ambitions, plans and expectations. By nature, this information is subject to uncertainty, as it depends in part on future events over which Favorite Gifts has no control. This report reflects Favorite Gifts' views as at the date of publication and readers should therefore not assume that this forward-looking information will become reality.

FILES
DOCUMENTS
ATTACHMENTS



B. Other sustainability Information

Climate transition plan explained

Scope 1 and 2 emissions

Although Scope 1 and Scope 2 emissions represent only a relatively small share of our overall climate footprint (around 5% as reported in Performance in 2025}, they remain under our direct operational control and therefore present an important opportunity for action. The most significant opportunities currently identified include:

- Improving energy efficiency in our operation facilities with LED lighting and energy efficient machinery and installations.
- Increasing the use of renewable electricity (renewable energy sourcing)
- Electrifying the company vehicle fleet.

Based on our current understanding, we believe a reduction target of 60% for Scope 1 and Scope 2 emissions by 2032 compared with the 2025 base year is broadly aligned with science-based decarbonisation principles.

Scope 3 emissions

As a trading company operating in the promotional products market, most of our GHG emissions occur in our value chain (scope 3). Based on our current GHG inventory, the largest sources of emissions are associated with:

- Scope 3 Category 3.1: Purchased Goods and Services
- Scope 3 Category 3.4: Upstream Transportation and Distribution

This profile is consistent with the nature of our business. Favorite Gifts sources a significant proportion of its product portfolio from manufacturers and suppliers located in Asia, while our production and warehousing activities are based in Poland. We have identified three emission reduction measures we focus on first.

Data improvements

Today, our carbon footprint calculations rely on industry-average emission factors, Bills of Materials (BoMs), and lifecycle databases such as Ecoinvent. While these methodologies provide a reasonable estimate, they do not always accurately reflect the actual environmental performance of individual products or suppliers. Several strategic suppliers, including brands that already publish environmental performance information such as Dopper. We see opportunities to replace generic assumptions with more representative product-specific data. With improved emission data, we expect to be able to report an annual reduction in emissions of 5% in the short to medium term. Other scope 3 reduction relate to transportation. Transport currently accounts for approximately 7.5% of total Scope 3 emissions, with inbound transport representing roughly 5% and outbound transport approximately 2.5%. In the short term, our focus is on improving transport emissions data by obtaining actual carrier and supplier emission information where available, rather than relying solely on distance-based estimates and generic emission factors

Increase circularity of products

Through this improved understanding of the circularity and carbon intensity of products, Favorite Gifts is able to make more targeted purchasing decisions. We are already engaging with suppliers to encourage the use of recycled and reused materials in products and components. Particular attention will be given to materials that are widely used within our largest product categories, including plastics, recycled plastics (R-PET), polyester, ABS, aluminium and stainless steel. Based on current initiatives and discussions with suppliers, we expect that a larger proportion of product components purchased from 2026 onwards will contain recycled material. Although uncertainty remains, our initial estimate suggests that these efforts could contribute approximately 5% Scope 3 emission reductions in the short term. For the medium term, we continue to source more circular products to achieve annual reductions of approximately 2-3%. Our efforts aim at improved product design, material selection, and supplier collaboration.

Local sourcing

A third pillar of our transition plan is the exploration of more local sourcing opportunities. Historically, Favorite Gifts has sourced a large portion of its products from Asia. Following the upcoming integration of Clipper, a greater proportion of the combined product portfolio will be sourced from European suppliers and brands. We believe there are several reasons why European sourcing may contribute to lower environmental impacts:

- Reduced transportation distances.
- Increased use of lower-impact transport modalities such as road and rail.
- Better access to sustainability-related product information.
- Greater opportunities for direct supplier engagement.
- A higher likelihood that suppliers already have established sustainability programmes and circular product offerings.

Water

Our sustainability strategy focusses on our most material themes: climate change mitigation and resource use and circular economy. We however continue to address additional topics relevant to our Polish operational processes, namely water use in particular.



Water Management and Wastewater Control

Favorite Gifts recognizes the importance of responsible water management and pollution prevention, particularly within the production activities of Favorite Gifts Print Europe (FGPE) in Poland. We are committed to minimizing our environmental impact through responsible water use, proper wastewater management, legal compliance, and continuous improvement of our water-related performance in line with Polish water and environmental legislation.

FGPE operates in accordance with applicable Polish environmental legislation and water permits governing industrial wastewater discharge. Furthermore, wastewater management practices are aligned with the environmental requirements of the Global Recycled Standard (GRS), including wastewater monitoring, pollution prevention and continuous improvement. The organisation monitors wastewater quality and discharge volumes to ensure compliance with legal requirements, permit conditions and applicable certification requirements.

Our approach

Our approach focusses on ensuring that we minimise the use of water and prevent all pollution. Our objectives are to:

- Comply with the Global Recycled Standard.
- Monitor wastewater quality and discharge volumes.
  Identify and address deviations from permit requirements.
- Increase employee awareness regarding responsible water
- management.
- Support environmental protection through preventive and
  corrective measures.

Implementation actions

To achieve these objectives, Favorite Gifts performs periodic wastewater sampling and laboratory analysis through accredited laboratories and maintains records of wastewater discharge volumes and analytical results.

Regular inspection, maintenance and servicing of wastewater collection and discharge systems are performed and we investigate any exceedance of legal or permit limits and implement corrective actions where required.

Performance 2025

Wastewater monitoring was performed by an independent accredited external laboratory (BHPE Labour Hygiene Laboratory, accreditation AB 956). Sampling, analysis and reporting were carried out by qualified laboratory personnel and the results were authorized by the Laboratory Manager. This was the first wastewater monitoring assessment performed. The results demonstrate compliance with the discharge limits for ammonium nitrogen, nitrite nitrogen, total chromium, hexavalent chromium and petroleum hydrocarbons. An elevated concentration of total phosphorus (5.02 mg/L) was identified compared with the permit limit of 2.0 mg/L. As this was the initial monitoring assessment, the result will be further investigated, and additional monitoring will be conducted to confirm the finding and identify potential sources.

Wastewater recycling = 0M3, as all water is disposed within the legal requirements of the water permit.

Air pollution

Air emissions can arise from printing processes involving the use of inks, solvents and other vaolatile substances. These emissions may contribute to air pollution and can have potential impacts on human health and the environment. Favorite Gifts Print Europe generates emissions primarily associated with pad printing, screen printing and related cleaning activities. The facility operates under an environmental air emission permit issued by the Polish authorities.

Our approach

FGPE manages emissions through compliance with environmental permit requirements, assessment of emission sources and the operation of dedicated ventilation systems for production, ink preparation, cleaning and

waste storage areas. Air emission management focusses primarily on volatile organic compounds (VOCs) originating from printing inks and solvents. During the permitting process, the facility's emissions were assessed against regulatory reference values and found to be sufficiently low that no specific emission limits were required by the authorities.

Implementation actions

Air emissions are managed through controlled ventilation systems, environmental permitting and periodic environmental assessments. Emission sources are evaluated to ensure compliance with applicable regulatory requirements and air quality standards. Data is reported through the National Centre for Emissions Management (KOBiZE).

Performance 2025

For 2025, FGPE remained compliant with its air emission permit and annual KOBiZE reporting requirements. Emissions from natural gas consumption and production activities were officially reported through KOBiZE, including 444.1 tonnes of CO_2, 308.1 kg of NOx and 231.1 kg of CO.

Since no specific emissions limits are required for our facilities and since we remained compliant with our permit, no further corrective actions were needed.

Our recruitment process

We believe that a diverse and inclusive workplace forms the foundation of a strong organisation. Everyone is welcome at our company, regardless of background, age, gender, nationality, religion, sexual orientation, or personal beliefs. We foster an open and respectful culture where employees can be themselves, feel heard, and have equal opportunities to grow and develop. We value diversity in backgrounds, experiences, and perspectives, recognizing it as a driver of collaboration, innovation, and growth. In this way, we create an inclusive workplace where talent comes first and everyone has the opportunity to contribute to our shared success.
For a meet and greet with our colleagues, simply check in via https://favoritegifts.eu/en/working-at/ and view all employee stories!

In line with the ILO principles, remuneration is reviewed frequently to assess whether employees in comparable roles and at similar job levels are compensated fairly, based on objective criteria such as qualifications, experience, responsibilities and performance and not based on gender.
We find overall gender pay gap figures should be interpreted with caution, as workforce demographics are unevenly distributed across job categories. In both 2024 and 2025, women were significantly overrepresented in operational (blue-collar) roles, while representation was more balanced in supervisory and middle-management positions. As a result, company-wide gender pay gap figures are not representative.

Equal pay & pay ratio

Favorite Gifts supports the International Labour Organization (ILO) principle of equal pay for work of equal value. Favorite Gifts also internally monitors the pay ratio, comparing the annual total compensation of the highest paid individual with the median annual compensation of all employees.

Our approach

In line with the ILO principles, remuneration is reviewed frequently to assess whether employees in comparable roles and at similar job levels are compensated fairly, based on objective criteria such as qualifications, experience, responsibilities and performance and not based on gender.

We find overall gender pay gap figures should be interpreted with caution, as workforce demographics are unevenly distributed across job categories. In both 2024 and 2025, women were significantly overrepresented in operational (blue-collar) roles, while representation was more balanced in supervisory and middle-management positions. As a result, company-wide gender pay gap figures are not representative.

Implementation actions

The most recent (2025) assessment of wage gaps identified no material unjustified pay differences between male and female employees and no actions are taken. Compensation is benchmarked against local market conditions and determined on the basis of role, experience, qualifications and performance. All data on equal pay and the pay ratio is monitored through the bi-yearly Remuneration and Equal Pay report.

Wage gap calculation The Netherlands

Within the Netherlands Favorite Gifts created a salary structure based on Orba method. Every function has been described together with professionals from the AWVN (the biggest Dutch employers association) and every function was calculated to a certain quantity of Orba points. Based on the quantity of these Orba points, salary scales (1st column) were created.

In the below table an overview is created how the salary of male and female staff is related to the average full time salary, over the year 2025.

Wage gap calculation Poland

The operational facility (FGPE | Favorite Gifts Print Europe) of the group is located in Poland. In total there are 29 functions within FGPE. These functions are divided into 8 salary scales. In the following table an overview is created how the salary of male and female staff is related to the average full time salary, over the year 2023.

Pay ratio analysis 2025

The pay ratio compares the annual total compensation of the highest paid individual in the organisation with the median annual compensation of all employees. This indicator provides insight into income distribution across the workforce and supports transparency on remuneration practices. Monitoring this ratio helps the organisation assess whether compensation outcomes remain aligned with its values of fairness, responsible governance, and sustainable workforce management.

Publicly available benchmarks are primarily based on listed companies and are therefore not directly comparable to Favorite Gifts. Consequently, the company monitors this indicator mainly as an internal measure of pay distribution and remuneration governance rather than against an external benchmark.

Favorite Gifts monitors pay ratios as an indicator of internal pay distribution. In 2025, the ratio between the highest salary and the median salary was 6.1 in Poland, 5.8 in the Netherlands and 3.5 in other international locations. At Group level, the overall pay ratio was 15.4. The relatively similar pay ratios in Poland and the Netherlands show a comparable internal salary structure. The Favorite Gifts overall pay ratio is caused by differences between countries, functions and organisational levels.

March 2025	Diff to AVG male	Qty male	Diff to AVG female	Recycled
Sale 6	n/a	0	0%	1
Sale 7	-1,5%	4	0,4%	15
Sale 8	-1,5%	9	1%	13
Sale 9*	-4,4%	4	+4,4%	4
Sale 10	0,1%	10	-0,2%	8
Sale 11	3,7%	6	-3,2%	7
Sale 12	n/a	0	0%	2
Sale 13	6,1%	1	-6,1%	1

* 1 female employee in scale 9 has a higher wage than the maximum of the scale. This is caused by historic reasons. **Board members are excluded from this overview.**

Performance 2025	Diff to AVG male	Qty male	Diff to AVG female	Recycled
Scale a1	n/a	1	n/a	0
Scale a2	-6%	1	2,9	1
Scale b1	0%	1	0%	1
Scale b2	-2%	5	0,7%	7
Scale b3	3%	3	-0,7%	8
Scale c1	n/a	1	n/a	0
Scale c2	2%	14	-0,6%	25
Scale d	2%	31	-0,3%	172

Training and education

Our approach

We believe in the power of growth and development of staff. By investing in skills we build a stronger organisation and contribute to the satisfaction of our employees. If they feel valued and see opportunities for personal growth, it reduces stress and improves mental well-being.

Encouraging skill development and internal mobility also helps create a safer place to work, since well-trained people can better handle challenges and lead by example. By investing in the development of our staff, we want to strengthen overall engagement and professionalism. Our employees can read all about it in the Career Development Policy.

The company remains committed to supporting employee development. While certain previously defined targets were found to be of limited value in measuring development outcomes, training participation remains a key indicator. Average training hours per employee will continue to be monitored to assess engagement in learning and development initiatives.

Implementation Actions

We strive to achieve an average of 15 training hours per employee annually. Following performance of 16 hours in 2023, the average decreased to 13 hours in both 2024 and 2025. While the result stabilized in 2025, it remains below the target level. To reverse this trend, the company is assessing a new learning and compliance platform that would provide employees with improved access to training content, better monitoring of completion rates and a more structured approach to employee development; especially on the overall policies and company guidelines on the topics of anti-corruption, human rights and codes of conduct.

2023
Average number of training hours per employee:
16 hours

2024
Average number of training hours per employee:
13 hours

2025
Average number of training hours per employee:
13 hours

Balance of work & private life

Favorite Gifts supports employees in maintaining a healthy work-life balance.

Our approach

One of the metrics used is measuring and evaluating numbers on staff taking leave for family reasons. Of course, we act in line with all local labour laws and regulations, so all our staff is entitled to absence for family reasons. Family leave is defined as maternity leave, paternity leave, parental leave and carers' leave.

Implementation Actions

An increase was observed in the proportion of employees taking family-related leave in 2025. We continue to provide employees with access to leave arrangements in accordance with applicable legislation and internal policies

- The Netherlands is specifically mentioned due to the Dutch laws and regulations, where in other tables data could have been related specifically to the Headquarters. Different procedures are in place for different offices, but laws apply nationally.
- All staff is entitled to take absence for family reasons. Specific targets are not relevant as these depend on personal needs or cases.



Performance 2025	FGPE	NL	Other	Total	Ratio 2025	Ratio 2024
Total workforce	313	89	53	455	100%	100%
Total of female workforce	247	52	28	327	72%	71%
Total of male workforce	66	37	25	128	28%	29%
Total of workforce using right of absence	101	32	2	135	30%	19%
Number and % of female staff using right of absence	87	17	1	105	32%	23%
Number and % of male staff using right of absence	14	15	1	30	23%	23%

Experience and generational balance performance

In this report we also provide insight in 2 other characteristics of our workforce; years of service and distribution of age. These will help us understand the level of experience, the stability of our workforce and the mix of young talents and matured specialists.

Over the last few years Favorite Gifts has grown significantly through acquisitions and autonomously. Our workforce breakdown shows that we continue to attract new talent with a significant part of our workforce in the age categories between 30 and 50. This is in line with our ambition to maintain a balanced workforce across age groups and with sufficient new 'recruitments' while maintaining experience

Season demand fluctuations

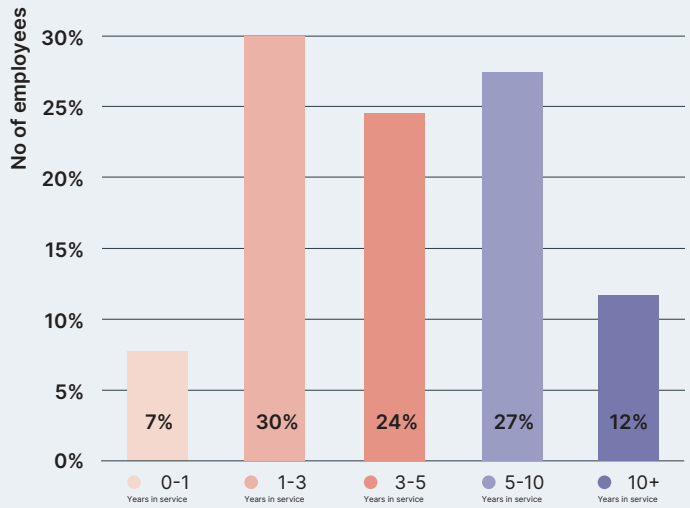
To support responsible employment practices while maintaining operational flexibility, we monitor the proportion of temporary agency workers, especially within our Polish operations. Due to seasonal demand fluctuations, a limited use of temporary labour is required to cover peak seasons.

We have set a target of **no more than 33% temporary agency workers**

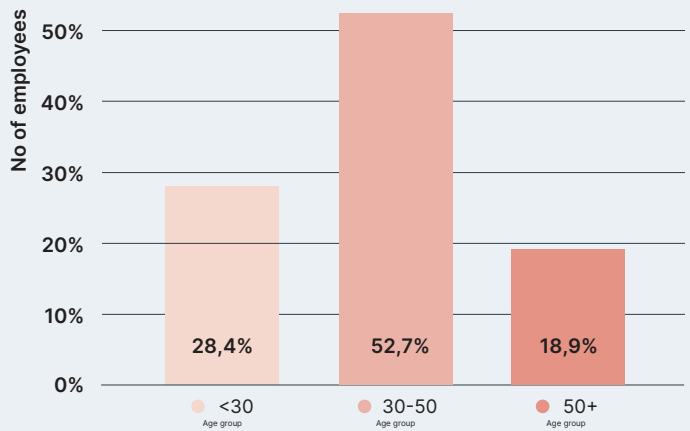
- 2023: 30.0%
- 2024: 15.5%
- 2025: 18.9%

The percentage remained below the target throughout the reporting period. The increase in 2025 compared to 2024 reflects normal seasonal demand and remains within the established threshold. This approach helps us maintain a balance between workforce flexibility and employment stability.

Breakdown of total workforce by years of service



Breakdown of total workforce by age





C. Aligning with the Sustainable Development Goals & Statement on due diligence

Aligning with the Sustainable Development Goals

In 2024 Favorite Gifts joined United Nations Global Compact Netherlands, supporting the 10 principles of the United Nations and the 17 Sustainable Development Goals they set up. The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere by 2030.

With Favorite Gifts' sustainability policy we connect to the goals of decent work and economic growth (8) chapter social, responsible consumption and production (12) chapter waste, climate action (13) chapter climate, life below water (14) chapter waste and peace, justice and strong institutions (16) chapter governance.



8. Decent work and economic growth

We recognize our role in the supply chain and the responsibility it brings toward our employees, customers, and suppliers. We will support our vendors in improving working conditions and fostering decent employment. Our membership in amfori BSCI, along with its audit tools, enables us to identify areas for improvement and collaborate with suppliers on developing appropriate and practical solutions.

12. Responsible consumption and production

We can make a difference by selecting products that contribute to a transparent, climate neutral and circular economy, rather than those that contribute to waste and environmental harm.

13. Climate action

We take climate action by working to mitigate our environmental impact, primarily through the measurement and reduction of our carbon footprint. This involves making more sustainable choices in transportation, energy use, and material selection across our products and packaging.

14. Life below water

Favorite Gifts has signed the Dopper Wave pledge, underscoring our commitment to reducing plastic pollution. By doing so, we acknowledge the importance of using reusable bottles instead of single-use plastic bottles. As part of this commitment, we have eliminated all single-use bottles and cups from our offices—where clean tap water is available—and we no longer offer bottled water in our product range.

16. Peace, justice and strong institutions

We are committed to conducting business in an ethical, honest, and transparent manner in all our transactions. We firmly stand against corruption, bribery, and all forms of discrimination.

Statement on sustainability due diligence

We are committed to responsible business conduct, aligned with our commitment to the United Nations Global Compact, and the integration of ESG principles into our Core Values. Through the UNGC, we submit an annual Communication on Progress, transparently reporting on our due diligence efforts and progress regarding environmental and social matters.

Regarding environmental due diligence, we actively manage—and plan to further reduce—the environmental impacts of our business operations. We map our value chain where possible and intend to engage our suppliers in mitigating these impacts in the future. Our human rights due diligence currently focusses primarily on ensuring the health and safety of our own workforce and those involved in our upstream supply chain, as monitored through the external social audit platform amfori BSCI. Downstream, we provide transparent communication with our customers and end-users about our products and services.

For detailed information on the due diligence processes used to define our material sustainability topics and stakeholder engagement, please refer to Appendix A - Identifying material impacts, risks and opportunities section and the respective ESG chapters in this report. A comprehensive description of our DMA is also available there. Further due diligence processes are outlined at the beginning of each ESG chapter.

D. Glossary and definitions

Amfori BSCI - amfori BSCI, short for amfori Business Social Compliance Initiative, provides a recognized methodology for identifying and remediating risks in global supply chains. Favorite Gifts is a member of Amfori BSCI.

Article / Product - In this report, if an item number, article or product is mentioned, it excludes the color configurations. Reporting on products with an amfori BSCI for example is based on the item number, excl. configs.

Assortment - Own imported products – stockholding assortment directly purchased from non-European suppliers and placed on stock in our FGPE warehouse. Also named 'Impression products'. Orderable products – products purchased from European suppliers that may or may not be placed on stock and are printed by our printing facilities based on request of the customers. Complete products - Products that are drop shipped from a European suppliers warehouse to a delivery address of our customers. Orders are 1:1 connected to a placed sales order.

Bill of materials - Data file of all components and materials used to manufacture a product, including specifications on weights and packing.

Core Value - The guiding principles in our organizations culture, decisions and behavior. Speed + Simplicity + Fun = Success!

Double materiality assessment - CSRD required Favorite Gifts to report on how the conducted business of Favorite Gifts impacts its surroundings and (inside out) and hoe these sustainable topics from outside have influence on Favorite Gifts. It includes 2 elements; impact (positive & negative) materiality and financial (risks and opportunities) materiality.

Employee turnover and new hires - The rate of employees that left or joined Favorite Gifts during 2025 calculated by the absolute number of leavers or joiners from 1 January until 31 December 2025 compared to the headcount on 1 January 2025.

ESRS - European Sustainability Reporting Standards

Favorite Gifts - Where Favorite Gifts is mentioned in this report, it includes all of its entities: Favorite Gifts BV, FL BV, Favorite Gifts Print Europe Sp. Z O.o., A. van Helden Relatiegeschenken BV, Van Helden Relatiegeschenken BV, Van Heijster Relatiegeschenken BV, EuroGifts Belgium NV, EuroGifts France SAS, Giving Europe BV, Giving Europe GmbH, Giving Europe France SARL, Giving Europe Italia SL, Giving Europe Iberia SRL. unless specifically stated.

GHG Protocol - Greenhouse Gas Protocol – a comprehensive international standard for accounting and reporting on Greenhouse gas emissions

GHG Emissions- Greenhouse Gas emissions refer to the release of gases in to the atmosphere. Split up in Scope 1, 2 and 3 emissions.

GreenbyBlue - GreenbyBlue is a sustainability platform that consults Favorite Gifts in the setting and reporting of a sustainability strategy and targets.

Grievance mechanism - Procedure in which misconduct, misbehavior or unsafe working conditions can be reported by and about all stakeholders of Favorite Gifts and its subsidiaries.

Kahoot! - Game based learning platform that allow users to create and participate in interactive quizzes and surveys.

KPI - Key Performance Indicators

Material themes - Material themes (topics) are those topics that are significant to an organization and its stakeholders because they have a major impact on business performance, value creation and decision making. It helps focusing on key priorities and report on the issues that matter most to our stakeholders.

Recall items - An item that is withdrawn (recalled) from the market due to safety issues or defects. Complaints on items related to quality or print are not included in this definition.

Root Sustainability Platform - This platform follows the ISI14040/14044 standards for the life cycle assessment of products (and ensures compliance with reporting standards such as the GHG protocol).

Scope 1 emissions - Direct greenhouse gas emissions from sources that are owned or controlled by the organization, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc. For Favorite Gifts this includes the fuel tank at FGPE, all company vehicles and the fugitive emissions due to the usage of air conditionings and heating by gas.

Scope 2 emissions - Indirect greenhouse gas emissions from the consumption of purchased electricity, steam, heating, and cooling that is generated upstream from the organization. For Favorite Gifts this includes purchased electricity and the cooling water used in FGPE.

Scope 3 emissions - These are emissions that occur in the value chain of Favorite Gifts, including both upstream and downstream emissions. These are a consequence of Favorite Gifts activities, but occur from sources not directly controlled or owned by Favorite Gifts. Examples are the emissions

from purchased goods and services, business travel, employee commuting, waste disposal and transportation and distribution of products.

Supplier = non-European (overseas)suppliers – Favorite Gifts orders its own imported products with label Impression with overseas, mainly Chinese suppliers. These suppliers function as agents; they purchase the products from a variety of manufacturers. European supplier – Orderable products or complete products are purchase from European suppliers. Products are either manufactured in Europe are hold in stock in European warehouses.

Temporary agency workers - Employees of agencies offering temporary workers to Favorite Gifts. The amount of workers and share compared to our own employees are calculated based on headcount

United Nations Global Compact Netherlands - United Nations Global Compact Netherlands is a global initiative that supports companies in sustainable business practices. Favorite Gifts joined the United Nations Global Compact Netherlands in 2024.

United Nations Sustainable Development Goals - The United Nations Sustainable Development Goals (SDGs) are a set of 17 global goals adopted in 2015 as part of the 2030 Agenda for Sustainable Development. They aim to end poverty, protect the planet, and ensure peace and prosperity for all by promoting social, environmental, and economic sustainability.

Waste - Waste in CSRD reporting for Favorite Gifts is waste as a result of the rejection of our (printed) products, packaging waste, waste as a result of the printing of our products and daily waste in our headquarters and FGPE. Other offices have no metrics in place.

Way of working A toolkit for our staff on how to make the right decisions and take correct actions, more or less an internally used code of conduct.

Whistleblower channel https://whistleblowersoftware.com/secure/FLBV - Procedure in which misconduct, misbehavior or unsafe working conditions can be reported by and about all stakeholders of Favorite Gifts and its subsidiaries. ISO27001 certified.

E. Reference to Reporting Standards

Report section			VSME/ESRS disclosure				
Chapter	Section	Page number	VSME - Basic	VSME Paragraph	VSME - Comprehensive	VSME Paragraph	ESRS - Standard
Appendices	A. Basis for preparation	29	B1 – Basis for Preparation	68, 71, 72			ESRS 1
Our Sustainability strategy	Sustainability Strategy	8	B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	78	C1 – Strategy: Business Model and Sustainability – Related Initiatives C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	47, 213	ESRS 2
Our Sustainability strategy	Stakeholder engagement and materiality	8					ESRS 2
Environment	Climate Change	11	B3 - Energy and greenhouse gas emissions	30, 81, 82, 85, 86-89, 90-109	Consideration when reporting on GHG emissions under B3 (Basic Module) C3 – GHG reduction targets and climate transition	50-53 54-56, 216-226	ESRS E1
Environmental Strategy	Resource use and circular economy	14	B7 - Resource use, circular economy and waste management	37, 38, 159-169, 173			ESRS E5
Social - Workforce	Other Workforce topics	18	B8 - Workforce - General characteristics	39, 40, 71,72, 175, 176, 182, 183, 187-191	C5 – Additional (general) workforce characteristics	59, 60, 231, 242, 243	
Other sustainability information	Training and education	37	B10 - Workforce - Remuneration, collective bargaining and training	42d			
Social - Workforce	Health, safety and vitality	19	B9 - Health and safety	41			
Other sustainability information	Balance of work & private life	38	B9 - Health and safety				ESRS S1-14
Social - Workforce	Human rights	22	B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	80	C6 – Additional own workforce information - Human rights policies and processes C7 – Severe negative human rights incidents	61 62	ESRS S1-17
Social - Workforce	Workers in the value chain	22	B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	80			ESRS S2
Social - Customers and end users	Information about products and services	24					ESRS S4
Governance	Business conduct and anti-corruption	26	B11 - Convictions and fines for corruption and bribery	43	C9 – Gender diversity ratio in the governance body	65	ESRS G1