



# Climate Transition & Action Plan

Our Roadmap to Decarbonise

February 2026



# About this Transition Plan

Sustainability remains a guiding principle at Concept 4, shaping the choices we make and the future we aim to build. We see the impacts of climate change as an opportunity to keep evolving in ways that create lasting value for people and the planet.

Having our Science Based Targets validated, now is an opportune time to report our path forward. This plan sets out our actions towards our climate ambition, and we will continue to report progress annually in our sustainability report.

*We aim to leverage sustainable design, innovation, supplier engagement and digitalisation to deliver on this roadmap.*

## **Aligned to 1.5 °C**

Built around 2030 near-term targets consistent with the Paris Agreement.

## **Framework-informed**

Developed in consultation with TFT and the IFRS S2 framework.

## **CEO-approved**

Endorsed and integrated into our business strategy

# Our Ambition

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Driving emissions reductions consistent with the 1.5°C goal of the Paris Agreement, and net-zero by 2050.

*“Our mission remains unchanged: reduce our environmental footprint, strengthen supply chain resilience, and deliver solutions that meet the highest standards of responsibility and performance.”*

Pascal Vieilvoye, Chief Executive Officer  
Concept 4 Limited

## Our Targets

**42%**

reduction of scope 1 and 2  
emissions by 2030

SBTi-validated · 2022 baseline

**90%**

reduction of scope 1, 2 and 3  
emissions by 2050

SBTi-validated · 2022 baseline

**100%**

renewable electricity in our  
own operations by 2026

SECTION 1

# Our Impact

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# Our Value Chain



## Market Research

Identify customer trends, competitor analysis, collaboration opportunities



## Product Design & Development

Product concept, design and specifications guided by Eco-Design principles; innovative solutions in market



## Supply Chain Management

Source quality manufacturers; conduct audits in line with international social and environmental standards



## Order Management

Coordinate production, quality and deliveries through our robust in-house ERP system, flexibly tailored



## Logistics Coordination

Arrange freight, customs and shipping through logistics providers

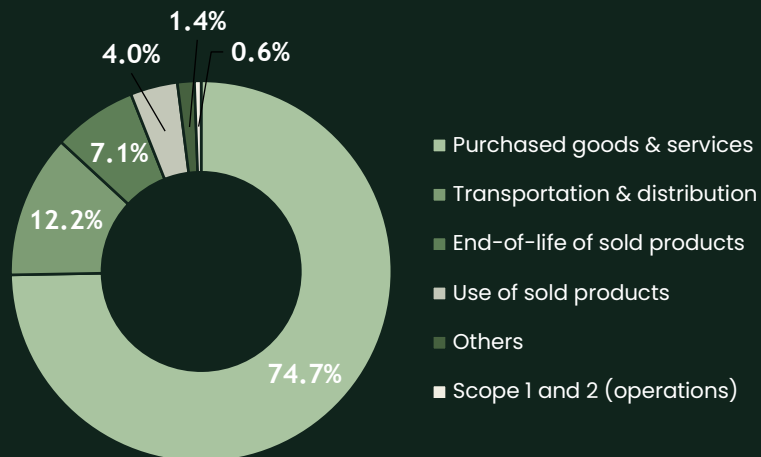


## Sales & Marketing

Branding, exhibitions, online marketing

# Our Climate Footprint

2022 BASELINE GHG EMISSIONS — 19,504 tCO<sub>2</sub>e



## Purchased goods & services

74.7% of baseline

Our largest Scope 3 source, driven by raw material production and supplier energy consumption.

## Transportation & distribution

12.2% of baseline

Upstream and downstream logistics, mostly sea, air and land freight activity.

## End-of-life of sold products

7.1% of baseline

Emissions associated with the disposal and treatment of products and packaging.

### Assurance:

Data independently verified by a third party at a reasonable assurance level under ISO 14064-1:2018.

### Method:

Scope 1 and 2 cover our Hong Kong, Dongguan, and Shanghai offices. Scope 3 is based on purchase records, annually collected supplier data, supplemented by extrapolation, using emission factors from multiple databases.

## SECTION 2

# Risks & Opportunities

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# Climate Risk Assessment

## OUR APPROACH

We continuously monitor climate-related risks as part of our risk management approach and see this as an opportunity to evaluate and mitigate those risks, show what is possible for a small and medium enterprise, and bring more sustainable products to market.

Rather than align to specific pathways to the Paris Agreement goals, we compare our targets against a range of datasets each year: scenarios from the IPCC, IEA and World Bank are among several inputs into our consideration.

## PHYSICAL RISKS

A preliminary screening-level, qualitative assessment completed in January 2026, covering our operating offices and all strategic suppliers against seven physical hazards of climate change.

- **Elevated exposure to extreme climate events.** Many sites and suppliers show high exposure to coastal flooding, tropical cyclones and extreme heat.
- **Water scarcity.** Rated medium across most locations — a potential concern in prolonged heat or drought.
- **Manageable operational risks.** Acute risk to our own operations is limited by remote-working flexibility.



# Climate Risk Assessment

## TRANSITIONAL RISKS (1 – 4 OF 8)

| RISK                                                              | RISK DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | TIMEFRAME | IMPACT | OUR RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Extreme weather events</b>                                     | Our business is exposed to physical climate risks through our supplier network, spanning across China, India, Vietnam and Cambodia. Increasingly frequent and severe weather events, such as flooding, typhoons and heatwaves, may disrupt production and logistics, resulting in delays, higher costs and reduced product availability.                                                                                                                                                                                                     | —         | ●○○    | We manage climate-related supply chain risks through our Vendor Compliance audit programme, which assesses suppliers' climate adaptation and business continuity measures and drives corrective actions to strengthen resilience against extreme weather events. Our Logistics team also closely monitors climate-related disruptions to vessel schedules and port congestion at key export hubs, enabling proactive management of potential delays and disruptions to production and logistics.                |
| <b>Regulatory change</b>                                          | Growing EU rules (PPWR, ESPR, EPR, EUDR, CBAM) demand more product-level environmental data, traceability and supplier due diligence. Failure by suppliers to comply could delay orders, raise compliance costs, or reduce customer market access.                                                                                                                                                                                                                                                                                           | ——        | ●●○    | Sustainability team monitors global, specifically EU, regulatory developments and delivers targeted training to product development, merchandising and senior management; partners with Digital Transformation team to embed compliance into data/traceability systems.                                                                                                                                                                                                                                         |
| <b>Raw material cost volatility</b>                               | Climate change may affect the availability of key raw materials. Physical climate impacts and transition factors, including regulatory changes, rising demand for recycled content, feedstock shifts, and recycling capacity constraints, may increase price volatility and supply uncertainty for both virgin and recycled raw materials.                                                                                                                                                                                                   | ——        | ●●○    | We are increasing engagement with suppliers to better understand and monitor their procurement of raw materials, including the availability of recycled-content materials. This will help improve visibility of potential climate-related supply risks and reduce exposure to market volatility. We will continue to monitor climate-related risks affecting key raw materials, including paper, plastics, cotton and palm oil, to support proactive risk management.                                           |
| <b>Shift from petrochemical to bio-based cosmetic ingredients</b> | The cosmetics industry is increasingly transitioning from petrochemical-based ingredients to bio-based alternatives in response to evolving sustainability expectations and customer requirements. This may increase raw material costs due to the price premium and supply variability associated with bio-based feedstocks. There is also a competitiveness risk if our supplier portfolio is unable to provide suitable sustainable alternatives at the pace required by customers' product reformulation and sustainability commitments. | ——        | ●●○    | We will assess our product portfolio to identify ingredients and formulations that rely on petrochemical feedstocks, while monitoring customer reformulation targets and sustainability commitments to anticipate demand shifts. We will engage suppliers on the development and availability of bio-based alternatives, expand access to sustainable ingredient options, and work closely with suppliers and customers to support timely reformulation while managing cost, supply, and competitiveness risks. |

TIMEFRAME — Short 0–2 yrs — Medium 3–5 yrs — Long 5–10 yrs IMPACT ●○○ Low ●●○ Medium–low

# Climate Risk Assessment

## TRANSITIONAL RISKS (5 – 8 OF 8)

| RISK                                             | RISK DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | TIMEFRAME                                                                          | IMPACT | OUR RESPONSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sustainability claims compliance risk</b>     | EU regulations prohibit generic or unsubstantiated environmental claims and self-created sustainability labels unless supported by independent, verifiable evidence. As a supplier to EU cosmetics brands, we may be required to provide substantiation data, such as LCA results, certifications, or ingredient-level evidence, to support customers' environmental claims. Failure to provide adequate evidence could result in compliance, commercial, and reputational risks, including potential loss of market access. |  | ●○○    | We will maintain credible certifications and supporting evidence for environmental claims, work closely with customers to ensure claims are accurate and compliant, and provide ongoing training to customer-facing teams to reduce the risk of misinformation and non-compliance.                                                                                                                                                                                                                                                                            |
| <b>Changing temperature</b>                      | Increasing temperatures and chronic heat stress may reduce supplier productivity and increase operational costs. The need for adaptation measures and compliance with evolving climate-related requirements could affect production efficiency, lead times and overall supply chain resilience.                                                                                                                                                                                                                              |  | ●○○    | We manage this supporting active suppliers' adoption of climate-resilient practices through annual engagement and training, and incorporating climate risk into supplier assessments. Alternative sourcing arrangements are also maintained where feasible to enhance supply chain resilience.                                                                                                                                                                                                                                                                |
| <b>Changing customer behavior</b>                | Rising expectations for climate action and sustainable business practices create a reputational and commercial risk, potentially affecting customer relationships and competitive position if expectations are not effectively addressed.                                                                                                                                                                                                                                                                                    |  | ●○○    | We continue to implement our climate transition plan through targeted climate-related initiatives, with progress reported annually in our Sustainability Report. To support informed decision-making, we are enhancing sustainability data management through digitalisation. We also work closely with suppliers and industry partners to advance lower-impact products, materials and business practices, while our Trend and Innovation team monitors sustainability and consumer trends to identify opportunities for more sustainable product solutions. |
| <b>Rising cost of certified renewable energy</b> | Due to limited opportunities for on-site renewable energy generation, our office decarbonisation strategy relies partly on RECs and GECs to achieve renewable electricity targets. This dependence may expose the business to rising electricity and renewable certificate costs, increasing the cost of delivering our emissions reduction commitments.                                                                                                                                                                     |  | ●○○    | We manage this risk through ongoing energy-efficiency initiatives, including employee engagement programmes that promote responsible energy use and climate awareness. These are supported by the continuous upgrading of office facilities and equipment to improve energy performance and reduce overall electricity consumption.                                                                                                                                                                                                                           |

TIMEFRAME  Short 0–2 yrs  Medium 3–5 yrs  Long 5–10 yrs IMPACT ●○○ Low ●●○ Medium–low

## SECTION 3

# Actions

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## OUR OPERATIONS

# A Low-Carbon Workplace

Everyday habits, adopted across every team — the fastest, lowest-cost way to cut the emissions we control directly.

### Office Energy Efficiency

Implemented energy saving measures across our offices, and continuous performance monitoring so we keep finding and removing avoidable energy use.

### A Zero-waste Mindset

Stronger waste prevention, sorting, reuse and recycling practices to reduce landfill disposal and related emissions, built into everyday routines.

### Education and Engagement

Mandatory EcoVadis Academy training builds a shared foundation for every colleague, reinforced by global campaigns that keep environmental awareness high.



## OUR OPERATIONS

# Digital, Data-Driven Progress

Digitalisation and AI give us sharper sight of our footprint today, and better decisions on the road ahead.

### Systems Built In-house

We are building our own platforms, tailored to how we actually work and updated as reporting rules evolve, so fast-changing regulation becomes something we are ahead of.

### One Connected Data Backbone

Integrating finance, merchandising, design and other business data to improve agility, generate decision-useful insight, support planning and sharpen carbon accounting.

### AI Put to Work

Accelerating digitalisation by deploying AI where it adds value, from everyday productivity to stronger sustainability literacy across our teams.



## OUR VALUE CHAIN

# Suppliers as Climate Partners

Most of our footprint sits upstream, so progress depends on choosing suppliers well and improving alongside them.

### **Chosen on more than price**

Environmental criteria sit alongside social considerations in supplier selection and management, prioritising partners committed to ethical conduct and responsible production.

### **Audits that raise the bar**

We review and progressively strengthen our supplier audit checklist each year, driving more climate-aware practices and improvement we can measure over time.

### **Capability, built together**

Strengthening supplier capacity through structured assessments, support for meeting international standards, targeted training and collaborative improvement initiatives.



## OUR VALUE CHAIN

# Designing Out Emissions

Choices made at the design stage shape a product's whole life, so we build circularity in from the start.

### Six Eco-design Principles

Our designs are guided by these Principles: Recycled materials, socially responsible sourcing and fair labour, design for disassembly and recyclability, material optimisation, product safety and traceability.

### Circularity by Default

Circularity and sustainable material selection are embedded in product development, with ongoing training so eco-design guides everyday choices and innovation.

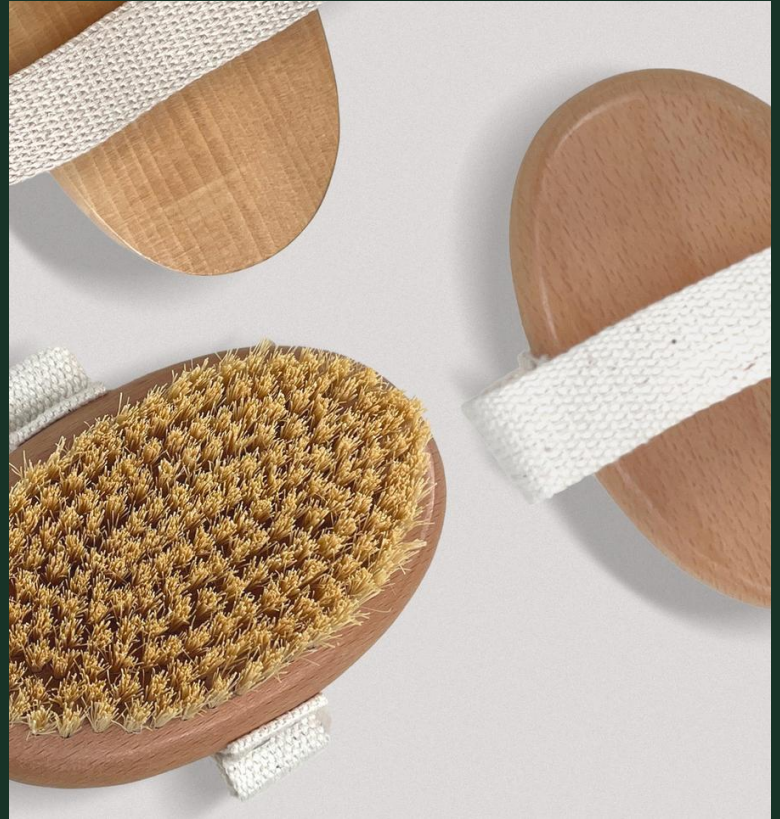
### Measurable Impact

Eco-design principles are being tracked by our in-house design platform and progressively parameterised to enable progress tracking, portfolio insight and strategic decisions.

SECTION 4

# Governance

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# Structure and Responsibility

Climate governance is embedded at every level of the business, from the Board to operational teams. Clear mandates and reporting lines keep our climate commitments owned, resourced and monitored.

## Board of Directors

Sets the overarching business strategy and oversees the sustainability agenda and climate activities. The CEO is accountable to the Board and reports on progress.

## Senior Leadership Committee

Led by the CEO. Oversees all ESG topics, leads strategy and target setting, and allocates resources in weekly meetings.

## Innovation & Sustainability Committee

Led by the CEO. Brings together senior management, product development, packaging, merchandising, sustainability and quality assurance to source sustainable materials and partners.

## Sustainability Office

Develops the transversal strategy with business leaders, manages ESG reporting and governance, and assesses and manages climate risks.

# Policies

Multiple policies define how we assess, mitigate and monitor environmental impacts, whether within our own operations or across our supply chain.

## Environmental Policy

- Drives stewardship through responsible sourcing, lower-impact products, emissions reduction and awareness.
- Underpins our SBTi-aligned targets, supplier engagement and energy, water and waste diversion goals.

## Supplier Code of Conduct

- Sets expectations on ethics, anti-corruption, labour and human rights, environment and legal compliance.
- 100% of active suppliers have accepted the Code.

## Sustainable Procurement Policy

- Supports Scope 3 emissions reduction through sustainable sourcing and regular supplier engagement.
- Promote lower-carbon materials, packaging optimisation and eco-design.
- Encourages logistics decarbonisation to reduce transport-related emissions.

# Decarbonising Together

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We cannot decarbonise alone. Our plan is to cut emissions through collective action — setting shared supplier standards with peers, pooling data and tools to improve traceability, and scaling proven practices across the industry faster than we could on our own.

Progress so far:

## FOUNDING MEMBER

### UNGC Coalition for Sustainable Procurement

Founding member since 2025. We are helping build a common framework for responsible sourcing — supplier standards, traceability and resource efficiency.

## BOARD MEMBER

### B Beauty Coalition

As a certified B Corp since 2024, we are part of the Coalition in advancing more transparent, measurable sustainability standards across the beauty industry.



**CONCEPT4**

Certified



Corporation

Learn more at  
**[bcorp.com](https://bcorp.com)**