

Global Sourcing Principles

CONCEPT 4 business model translates into a large number of factories where we place orders for a wide variety of products.

We have put in place a sourcing process where in addition to reviewing a new potential supplier Environmental, Social or Quality Management certificates, we systematically conduct an onsite review of the facilities with our own Environmental Corporate Social Responsibility Questionnaire.

Our short-term objective is to ensure that suppliers are not only selected on a price basis, but on a social and environmental performance basis.

Our ultimate goal is to promote environmental and social responsibility across our supply chain by acknowledging and rewarding good practices.

Our questionnaire and process in dealing with new or existing supplier is based on the following principles:

Principle 1: Conduct Business Lawfully & With Integrity

Supplier's management method and procedures are assessed.

Principle 2: All Legal Regulations Are Enforced

Supplier's follow all applicable local regulations.

Principle 3: Health & Safety Are Monitored & Improved

Supplier's health and safety records are assessed

Principle 4: Sustainability & Environmental Impact Are A Key Element In Supplier Selection

Supplier's environmental performance in various areas, which include waste and chemical management, energy use, land use, water use, emissions and the existence of and Environmental Management System and certification, are assessed and monitored.

Principle 5: Good & Best Practices Are Acknowledged & Rewarded

Through monitoring and assessment of our complete supply base, Concept 4 gives itself the tools and visibility that will allow selecting and rewarding with business the most performant suppliers from an Environmental and Social perspective.

Part of our effort to promote good practices, we are reporting our progress through the ECOVADIS framework <https://www.ecovadis.com/>

Yearly reports, certificates, policies and improvement plans are uploaded by Concept 4 and verified by EcoVadis.

Our target for 2020 is to obtain a GOLD Rating under EcoVadis system (From Silver rating in 2019).