



# SUSTAINABILITY REPORT 2024



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# 1. ABOUT THIS REPORT

At Concept 4, we firmly believe in the transformative power of sustainability and its pivotal role in shaping a brighter future for our planet and society. Aligned with our unwavering dedication to transparency and responsible business practices, we are delighted to present this annual sustainability report, offering insight into our environmental, social, and governance performance and initiatives to our esteemed stakeholders.





# 1. ABOUT THIS REPORT

## PURPOSE

The purpose of this report is threefold:

### *Transparency and Accountability*

We aim to provide a transparent account of our sustainability practices, goals, and progress. By openly sharing our achievements and challenges, we hold ourselves accountable to our stakeholders and demonstrate our commitment to responsible and sustainable business practices.

### *Stakeholder Engagement*

We value the input and perspectives of our stakeholders, including customers, employees, suppliers, communities, and regulators. This report serves as a platform for engagement, inviting feedback, dialogue, and collaboration. We seek to understand and address the expectations and concerns of our stakeholders, working together to drive positive change.

### *Performance Evaluation and Improvement*

By reporting on our key performance indicators (KPIs), targets, and achievements, we enable stakeholders to evaluate our sustainability performance. This report allows us to assess our progress, identify areas for improvement, and set new goals. We are dedicated to continuous learning, innovation, and the integration of sustainable practices into our operations and decision-making processes.

## SCOPE

The report covers the period from 1 January 2024 to 31 December 2024. It includes employees at our headquarter in Hong Kong, representative offices in Dongguan and Shanghai, China, as well as France office in Europe.

## APPROVAL

This report is approved by the CEO of the company and published on 17 April 2025.

## CONTACT INFORMATION

By publishing this sustainability report, Concept 4 aims to foster trust, inspire positive change, and contribute to a more sustainable future. We welcome feedback and suggestions from our stakeholders on how we can further enhance our sustainability efforts.

For any inquiries or additional information, please contact Concept 4 at [C4sustainability\\_external@concept4.net](mailto:C4sustainability_external@concept4.net)





# 2. MESSAGE FROM THE CEO

## **ADVANCING OUR COMMITMENT TO PEOPLE AND PLANET**

As we reflect on the past year, Concept 4 is proud to celebrate significant milestones in our sustainability journey. In 2024, we achieved the prestigious EcoVadis Platinum Medal, successfully became a certified B Corporation, and joined the B Beauty movement, further solidifying our commitment to ethical and sustainable practices. Additionally, we are honoured to have scored a "B" in the CDP SME Climate Change Questionnaire, reflecting our leadership in environmental transparency and accountability. Most importantly, we are excited to announce that our Science Based Targets initiative (SBTi) has been validated, marking a pivotal moment in our commitment to reducing carbon emissions and aligning with the global goal of limiting warming to 1.5°C. These accomplishments are a testament to our steadfast dedication to sustainability and our role as a leader in the cosmetic and fashion accessories industry.

This year, we took bold steps to integrate sustainability into every aspect of our business. We participated in trade shows focused on sustainable products, showcasing our innovative solutions and inspiring industry-wide change. At these events, we highlighted our newly developed in-house tool, which allows us to forecast carbon emissions at the development stage of products. This tool empowers our clients to manage their carbon emission budgets alongside their financial budgets, providing a holistic approach to sustainable decision-making. Most notably, we launched our Eco-Design policy, a groundbreaking initiative that embeds sustainability into the heart of our product development process. By introducing a unique classification and tracking system, we are ensuring that every product we create aligns with our sustainability goals.

## **OUR ECO-DESIGN APPROACH**

Starting in 2025, every product we develop, or sell will be assessed against six key sustainability criteria: RECYCLED, SAFE TO WEAR, RECYCLABLE, RESOURCE CONSCIOUS, SOCIALLY RESPONSIBLE PRACTICES, and OPTIMISED. Through our Product Lifecycle Management (PLM) system, we will track and measure the sustainability of each product, aiming for year-on-year improvements. Where possible, we will leverage certifications such as GRS, to validate our efforts. This initiative not only supports our sustainability goals but also empowers our clients to achieve theirs.

## **CLIMATE ACTION AND CARBON ACCOUNTABILITY**

Climate change remains one of the most pressing challenges of our time, and we are committed to doing our part. In 2024, we continued our work on Scope 1, 2, and 3 carbon emissions, building on the foundation laid in previous years. Our second full mapping analysis of Scope 3 emissions, following the GHG Protocol, has provided valuable insights into our supply chain's environmental impact. With the validation of our SBTi targets, we are now equipped with a clear roadmap to achieve measurable emission reductions by 2030. This milestone reinforces our alignment with the Business Ambition for 1.5°C campaign and underscores our leadership in climate action.



# 2. MESSAGE FROM THE CEO

## ***ETHICAL BUSINESS PRACTICES AND STAKEHOLDER collaboration***

At Concept 4, we believe that sustainability extends beyond environmental impact. We are dedicated to fostering a fair, inclusive, and respectful workplace while promoting ethical business practices across our value chain. Our certifications in ISO 27001 (information security), ISO 37001 (anti-bribery management), and ISO 45001 (occupational health and safety) underscore our commitment to maintaining the highest standards of integrity and safety.

In 2024, we renewed our SEDEX membership and continued our efforts to enhance supply chain transparency and responsible sourcing. We actively worked to onboard more suppliers onto the platform, encouraging them to adopt ethical and sustainable practices. By collaborating with our stakeholders, we are creating mutual benefits for the community and driving positive change across the industry.

## ***LOOKING AHEAD***

As we present our second Sustainability Report, we are inspired by the progress we have made and motivated by the challenges that lie ahead. The validation of our SBTi targets is a significant achievement, but it is also a call to action. We remain committed to our mission to create a positive impact on people and the planet. Through innovation, collaboration, and a relentless pursuit of excellence, we are building a more resilient and sustainable future for all.

We invite you to explore this report and join us in celebrating the milestones we have achieved together. Thank you for being part of our journey as we continue to push the boundaries of sustainability and redefine what it means to be a responsible business in the 21st century.

***TOGETHER, WE CAN MAKE  
A DIFFERENCE.***

***CONCEPT 4: LEADING THE WAY  
IN SUSTAINABLE SOLUTIONS***



**Pascal Vieilvoye**

CEO, Concept 4 Ltd.

March 2025



# 2024 PERFORMANCE OVERVIEW

Certified



Corporation

**B Beauty**

B Corp™ Beauty Coalition

- Concept 4 Limited is officially certified as B Corp since August 2024
- Recertification will happen in 2027.
- Joined B Beauty Coalition as Member

## SUSTAINABLE PROCUREMENT

- **100%** of target suppliers with contracts that include clauses on environmental labour and human rights requirements
- **100%** of active suppliers accepted C4 code of conduct
- **100%** of suppliers covered by a CSR assessment

## EXTERNAL COMMITMENT

In support of

### WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

- In Support of the United Nations Women's Empowerment Principles (WEPs) to promoting gender equality and women's empowerment in the workplace and community

## EXTERNAL RECOGNITION



- **Rated B** in the SME Climate Change questionnaire 2024 through of the Carbon Disclosure Project (CDP)

## ENVIRONMENTAL

### Validated SBT Targets

Committed to full scope reduction :

- **42%** by 2030
- **90%** by 2050

## LABOUR

- Reached **80%+** of female in managerial or director roles.

## MANAGEMENT SYSTEMS



## ACCREDITED AS





# ABOUT CONCEPT4



# 4.1 OUR BUSINESS

At Concept 4, sustainability is in the DNA of our organisation. It guides our strategic decisions, influences our supply chain practices, and underpins our daily operations. This comprehensive approach empowers us to deliver innovative products and exceptional service that meet and exceed our customers' expectations, all while upholding our environmental stewardship and corporate citizenship responsibilities. We view sustainability as an enduring journey that we are unwaveringly committed to pursuing.

Marking our 20<sup>th</sup> anniversary in 2024, we have further enhanced our commitment to sustainability by emphasizing our company's vision and mission, placing even greater emphasis on our sustainable practices. This update signals our strengthened dedication to embedding sustainability not only in our day-to-day functions but also in our fundamental principles and strategic roadmap. This heightened focus reinforces our belief that sustainability is not merely an objective but a fundamental catalyst for our continuous growth and positive influence on the world around us. Being a certified B Corp, we strongly believe that business can be a force for good.

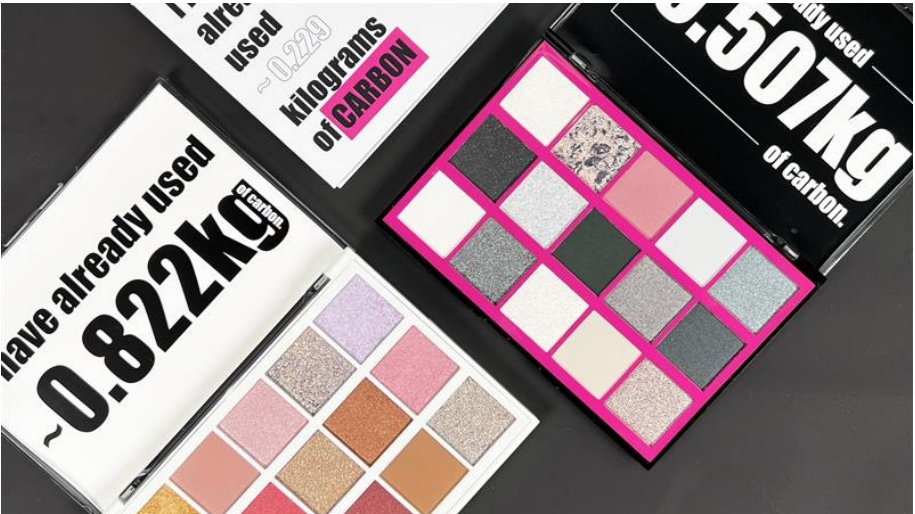
## OUR VISION



### *Innovation 4 Tomorrow*

"We envision a future where brands have effortless access to cutting-edge digital tools and trend-forward expertise to innovate and grow. Our goal is to be the trusted partner that drives quality, sustainability, and operational excellence, creating lasting value for our clients and the planet."

## OUR MISSION



### *Transforming Ideas Into Impactful Solutions*

"To serve as a dedicated buying office in Asia for global beauty and fashion brands. By providing innovative and sustainable solutions in design, product development, sourcing, and production, we empower brands to thrive by delivering essential market insights and enabling them to focus on their core marketing and sales efforts."

# 4.2 UN SUSTAINABLE DEVELOPMENT GOALS AND UNGC TEN PRINCIPLES

## WE SUPPORT



Concept 4 is a signatory and continues to support the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. We have continued the adoption of the United Nations Sustainable Development Goals (SDGs) into our sustainability strategy, and we commit towards global sustainable development under this framework.



### 3. Ensure healthy lives and promote well-being for all at all ages:

Good physical and mental health are essential to a human life. With clear evidence of the link between health, safety and productivity, Concept 4 take special care in ensuring that our workplaces, and those of our suppliers, demonstrate this



To solidify our commitments, we have committed to ambitious corporate targets to achieve the Sustainable Development Goals via the Forward Faster initiative by UNGC. It is to increase accountability and transparency by calling for companies to publicly declare their commitments and highlight the actions they will undertake to meet the targets



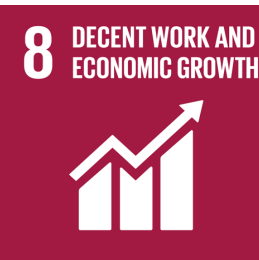
### 5. Achieve gender equality and empower all women and girls:

With most of the factories in our supply chain having 70–95% female employees, through our compliance operations and programs, we strive to ensure that the workplaces we engage with are models for gender equality and non-discrimination in all respects.



### 12. Ensure sustainable consumption and production patterns:

We strongly believe that products and materials that can be reused, remanufactured, recycled or recovered and maintained in the economy for as long as possible can help to make the transition towards a greener and more socially inclusive global economy. We therefore take all opportunities to propose sustainable products and materials to our clients to avoid or minimize the generation of waste, especially hazardous waste, and prevent or reduce greenhouse gas emissions.



### 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

We believe that our workplace should demonstrate the best principles of decent work in terms of health and safety, and to provide our employees respect, opportunity and growth.



### 13. Climate Action:

In respect to the Paris Agreement, we strive our effort as a trader, to keep the global temperature rise in this century well below 2 degrees Celsius. We account climate risk and its transition risk into our business strategies, take actions to combat climate change and its impact. We engage our suppliers to mitigate from serious threats and grasp potential opportunities.



# 4.3 GOVERNANCE

At Concept 4, we recognize that strong corporate governance is essential for driving sustainable and responsible business practices. We are committed to upholding the highest standards of governance, transparency, and ethical conduct throughout our operations. Our governance framework is designed to ensure accountability, protect stakeholders' interests, and promote long-term value creation.

## BOARD OF DIRECTORS (THE BOARD)

- Our Board of Directors consists of shareholders of the company, this highest governance body is led by the Chairman. With their expertise and knowledge, they provide strategic guidance, oversee company performance, and uphold the highest standards of integrity and ethics, in prevent of conflict of interests..
- The Board's responsibility to meet regularly to review and approve key decisions, assess and manage risks, approve then monitor the implementation of our sustainability strategy and report. It ensures that our business operations align with our values, mission, and long-term goals, while maintain compliance with laws and regulations.
- The Board membership is publicly available and transparent on our website. We are continuously comprehending our governance structure in addressing conflicts of interests and other risks.

## ETHICS AND COMPLIANCE

We have established a robust ethics and compliance framework to ensure that our business is conducted with the highest level of integrity. This framework includes:

- A Code of Conduct and business ethics that outline our ethical standards and expectations for all employees (Employee Code of Ethics and Business Ethics C4-HRP-009)
- An anti-bribery policy that set out the rules and principles as relate to bribery (Anti-Bribery Policy C4-HRP-005)
- A whistleblower policy to provide reporting channels and guidance in whistleblowing to our stakeholders (Whistleblower Policy C4-HRP-007) and a whistleblowing committee serves as an independent body responsible for receiving, investigating, and addressing any reported incidents of wrongdoing, unethical behaviours, or policy violations.

## TRANSPARENCY AND REPORTING

- We are committed to transparent reporting on our sustainability performance, including our environmental, social and governance practices.
- It includes key performance indicators, as well as initiatives that demonstrate our commitment to sustainability and responsible business practices
- We target to verify our sustainability report by independent third party in the next 3 years, with supervision by the CEO.

## RISK MANAGEMENT

- We maintain regular risk management to identify, assess, and mitigate risks across our operations. Our risk management processes are integrated into our strategic planning and decision-making processes
- We regularly assess emerging risks, including those related to sustainability, and implement appropriate measures to address them. We believe that proactive risk management is essential for safeguarding our reputation, financial stability, and the interests of our stakeholders

# 4.4 STAKEHOLDER ENGAGEMENT

At Concept 4, we recognize the significance of actively engaging with our stakeholders and valuing their interests and expectations. We maintain open lines of communication by consistently sharing updates on our progress and advancements in enhancing our strategies, management practices, and overall performance.

Our stakeholders span a wide spectrum, including upstream and downstream suppliers, customers, employees, government entities, local communities, and media. By involving these diverse stakeholders through various channels, we ensure that our decisions and actions are aligned with their needs and aspirations.

Stakeholder	Engagement Mechanism
Suppliers	<ul style="list-style-type: none"><li>• Annual satisfactory surveys</li><li>• Supplier annual audits</li><li>• Business review meetings</li><li>• On-site audits</li><li>• Supplier relationship management programme</li></ul>
Customers	<ul style="list-style-type: none"><li>• Customer services email</li><li>• Annual satisfactory surveys</li><li>• Customer service mobile applications</li><li>• Quality assessment meetings</li><li>• Customer relationship management programme</li></ul>
Employees	<ul style="list-style-type: none"><li>• Company-wide announcements</li><li>• Annual surveys and interviews</li><li>• Internal anonymous suggestions box</li><li>• Training sessions</li><li>• Competitions and team building activities / events</li></ul>
Community/NGOs	<ul style="list-style-type: none"><li>• Community volunteering / events</li><li>• Joint projects</li></ul>
Government	<ul style="list-style-type: none"><li>• Annual mandatory report</li><li>• Corporate website</li><li>• Local regulatory compliance</li></ul>
Media	<ul style="list-style-type: none"><li>• Interviews</li><li>• Public seminars / events</li><li>• Feedback and responses to media enquiries</li></ul>



# 4.5 MATERIALITY ASSESSMENT

Since 2022, we have conducted materiality assessment biannually to evaluate our organisation’s context, identifying relevant ESG risks and impacts, and assessing the significance of those impacts through research and engagement with relevant stakeholders.

Reflected from our first materiality assessment held in 2022, our key materiality issues were: 1. Child & Forced Labour; 2. Energy Use & Emission Management & 3. Business Conduct & Ethics, which centred on business compliance, human rights, & operational impact management. We have initiated & reviewed to understand our stakeholders’ perceptions & expectation regarding the progress of our sustainability strategy & priorities for the future market evolvement.

These identified issues helped us to further align our business practices, improved our decision-making, and guided the direction of our strategy and focus areas as response.

In 2024, to gain a deeper understanding of which aspects are important to the Company’s business continuity & development, we have refined our response collection approach, combining qualitative & quantitative data to assessing materiality from stakeholders.

We have engaged both internal & external stakeholders identified, to ensure a comprehensive understanding of the significance of ESG issues correlating to Concept 4’s business. We assessed 170+ responses collected in the form of a comprehensively structured survey, covering 22 both ESG correlated, potential impact risk & business opportunities arousing aspects.

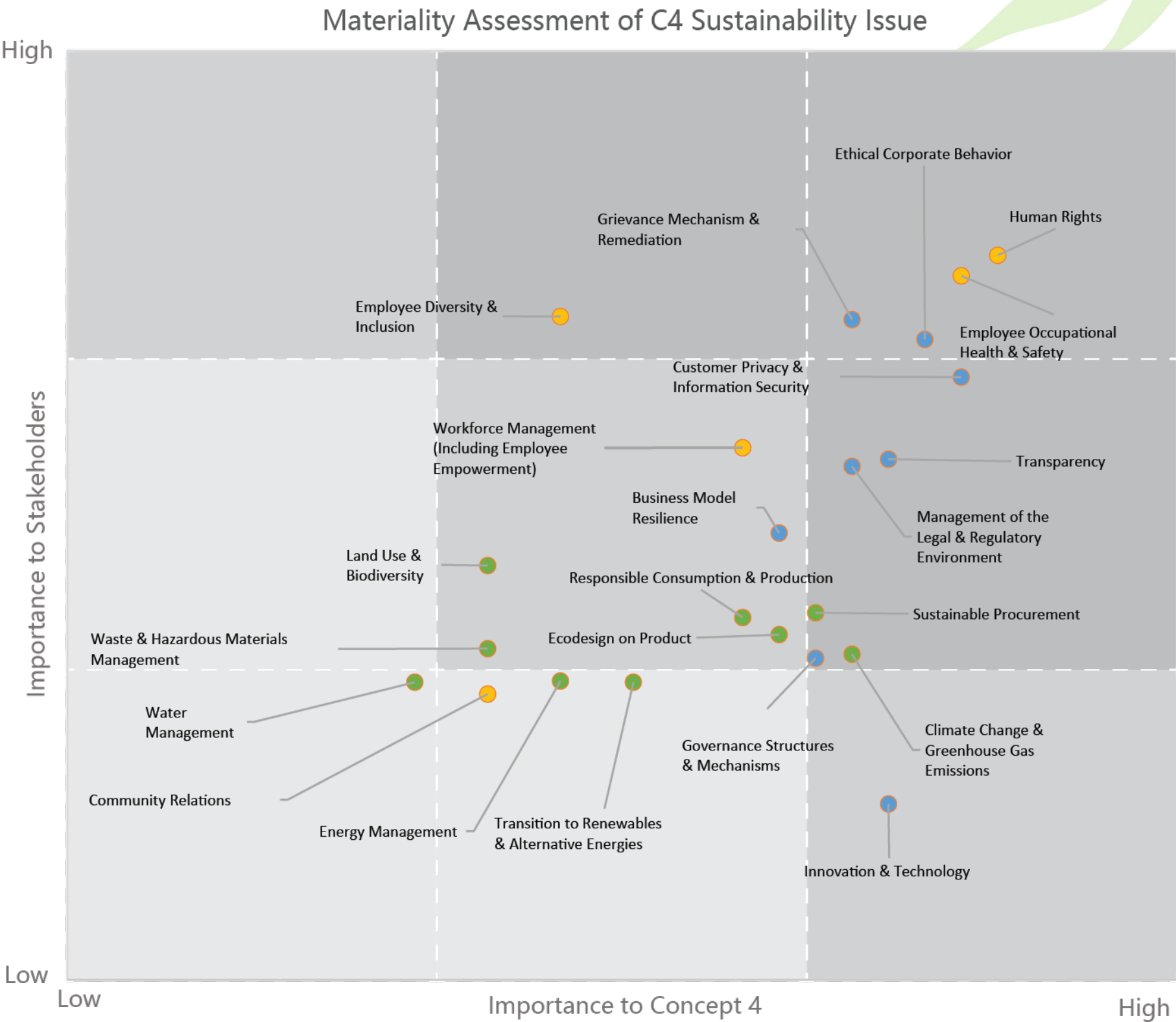
While we have garnered complete support & enthusiasm from our directors, employees, & key suppliers, the level of dedication from our clients did not meet our initial expectations. We believe that fostering supply chain engagement is essential both upstream & downstream, with the overarching vision of advancing collectively as a purpose-driven business.



# 4.5 MATERIALITY ASSESSMENT

We have expanded to 22 ESG topics, adding 8 more relating to what our clients has increased focus and concerns on, including Transparency, Grievance Mechanism and Remediation, Responsible Consumption and Production, Sustainable Procurement, Ecodesign on Product, Innovation and Technology and Transition to Renewables and Alternative Energies. Stakeholders’ insights are valuable to us to adjust strategic directions for resources allocation, so as to better secure business opportunities in the industry, while benefiting the community.

With respect to the implemented European Sustainability Reporting Guidelines, we are aware the concept of Double Materiality. We are continuing to build on and refine our approach to materiality to improve and align with world leading standards, as well as to deliver a broad and deep range of insights for stakeholders.





# 4.6 EXTERNAL RECOGNITION

## CERTIFED AS B CORP SINCE AUGUST 2024

B Corp certified in August 2024, underlines the commitment and progress that the Group has made to fulfil its sustainability strategy and mission



### *What is B Corporation?*

B Corp certified companies are verified by non-profit B Lab™ to voluntarily meet the highest standards of social and environmental performance, transparency, and accountability. Established in the United States in 2006, there are now more than 6,000 Certified B Corporations in more than 80 countries and over 150 industries.

### *What is B Corp Movement?*

B Corp certified companies is a global initiative aimed at transforming the economy to benefit all people, communities, and the planet. These organisations work together to harness the power of business as a force for good. The B Global Network’s Theory of Change guides the mission to transform the economic system into a more inclusive, equitable, and regenerative global economy.

### *What does it mean to be a Certified B Corp?*

B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. In order to achieve certification, a company must:

- Demonstrate **high social and environmental performance** by achieving a B Impact Assessment score of 80 or above and passing our risk review. Multinational corporations must also meet baseline requirement standards.
- Make a **legal commitment** by changing their corporate governance structure to be accountable to all stakeholders, not just shareholders, and achieve benefit corporation status if available in their jurisdiction.
- Exhibit **transparency** by allowing information about their performance measured against B Lab’s standards to be publicly available on their B Corp profile on B Lab’s website.

### *How does it matter to Concept 4?*

Being a B Corp™ demonstrate that we are committed to using business as a force for good, blending purpose with profit to drive positive changes in collaboration with our clients, suppliers, local community and the environment.

*\*Certified B Corporation is a trademark licensed by B Lab, a private non-profit organisation, to companies that have successfully completed the B Impact Assessment (“BIA”) and therefore meet the requirements set by B Lab for social and environmental performance, accountability, and transparency.*

# 4.6 EXTERNAL RECOGNITION



Our journey as a B Corp has been transformative, though our commitment to people and nature started with the founding of the business.

Over the past two years, our colleagues from different departments have worked closely together to implement initiatives that reflect our commitment to sustainability and social responsibility. In 2022-2023, we are assessed by the B Impact Assessment™ on our governance, employees, community, environment and customers.

We have attained 88.5 in the overall score.

For more information about how we scored, please find our company in the B Corp Directory





## 4.6 EXTERNAL RECOGNITION

Our long-term approach to sustainability as a B Corp includes but not limit to :

- **Purpose:** The company has amended its Articles of Association to include social and environmental considerations;
- **Actions:** To reduce suppliers sites' environmental impacts including investments in renewable energy installation
- **Circularity:** Working on recyclable and recycled packaging as well as pushing product refill alternatives and customer in store recycling programmes;
- **Climate plan:** SBTi -approved to help limit global temperature increases to 1.5°C above pre-industrial levels;
- **Responsible Purchasing:** Practices reaching 25+ strategic partners globally externally through SEDEX and EcoVadis and the internal audit programmes;
- **Parental Leave:** Policy has been rolled out in the majority of our office locations.

Becoming a B Corp is a unique marker of leadership for a company of the Group's size and scale and underlines its continued commitment to sustainability.

With the next round of reassessment approaching in 2027, while we maintain the existing policies and procedures, we would like to strive for advancement in providing more diversity of impactful products in more efficient ways.

As a member of the B Corp beauty Coalition, we envision a new approach to beauty that priorities soil as much as skin, nature as much as natural, evidence as much as ego, and impact as much as performance.

We commit to working together with other members to share knowledge and best practices, spark exploration and responsible innovation , and to speak consistently and clearly, to deliver genuine benefits to our customers, our communities and our planet.

### JOINING AS A MEMBER OF B BEAUTY COALITION

**B Beauty**  
**B Corp™ Beauty Coalition**





# 4.6 EXTERNAL RECOGNITION

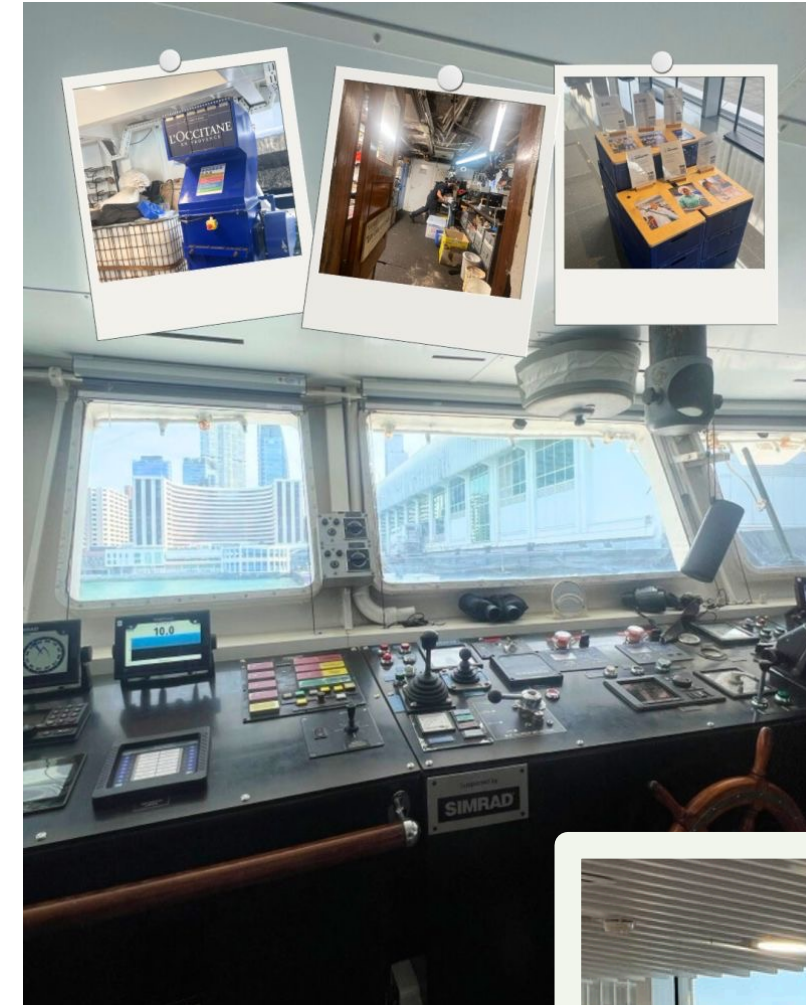
## AS A CERTIFIED B CORP

Ever since we have been certified as B Corp in August, we have been participating and collaborating closely with B Lab Hong Kong and Macau in various ways.

Including:

- Participating in B Lab HK regular gatherings
- Speaking publicly in seminars to sharing our B Corp Journey
- Visiting other B Corporation's facilities and collaboration projects: The 'Ocean or Plastic' exhibition and the upcycled art workshop organized by L'Occitane and Plastic O'dessey

Being in part of the community, we look forward to participating or even initiating more collaborative projects with meaningful purpose and business opportunities.





# 4.6 EXTERNAL RECOGNITION

## SUSTAINABILITY ASSESSMENT BY ECOVADIS

In May 2024, we are proud to have been awarded the Platinum medal by EcoVadis, a leading sustainability assessment platform. Improving from Sliver in 2018, Gold in 2023 and until now, performing within the Top 1% percentile across industries. As we reflect on our sustainability journey with EcoVadis assessment, we recognize the significant impact this process has had on driving our continuous improvements.

### *The Impact of EcoVadis Assessments*

The EcoVadis evaluation process has been pivotal in refining our sustainability strategies. By providing a clear framework, EcoVadis has helped us define our sustainability objectives and chart a path for progress. These assessments serve as a critical benchmarking tool, enabling us to evaluate our performance against industry peers and identify key areas for improvement, ultimately fostering a culture of continuous enhancement within our company.

### *Feedback and Recommendations for Improvement*

With the insights and recommendations from EcoVadis assessments, we have aligned our Corrective Action Plans with the suggestions and advice provided by EcoVadis. We have used this alignment to prioritize our efforts and develop targeted strategies to address the identified areas for improvement. By integrating EcoVadis' recommendations into our Corrective Action Plans, we ensure that our sustainability initiatives are aligned with industry best practices and global standards.

### *Continuous Improvement and collaboration*

Our partnership with EcoVadis goes beyond the assessment process. We value the ongoing collaboration and engagement with EcoVadis to foster continuous improvement. By actively participating in EcoVadis workshops, webinars, and knowledge-sharing sessions, we stay updated on emerging sustainability trends, industry insights, and best practices. This collaborative approach enables us to continuously enhance our sustainability performance and drive positive change within our organisation and supply chain.



## 4.6 EXTERNAL RECOGNITION

### *CLIMATE DISCLOSURE PROJECT*



**SME**

In the 2023–2024 period, we participated in the Climate Change questionnaire conducted by the Carbon Disclosure Project (CDP), a globally recognized organisation that evaluates companies on their environmental performance and reporting practices. This assessment provided us with valuable insights into our environmental impact and deepened our understanding of sustainability efforts.

We are thrilled to share that our score improved from a B– in 2023 to a B in 2024 under the SME Climate questionnaire. This achievement marks the highest available score for SME in 2024, placing us at the top among 12,500 SMEs reporting on the same questionnaire. We extend our heartfelt gratitude to our team and partners who made this milestone possible, reflecting our ongoing commitment to addressing climate change.

### *IMPORTANCE OF CDP ASSESSMENT*

The CDP evaluation is crucial for understanding our environmental performance, emissions-integrated financial management. It provides valuable insights into our sustainability journey. It offers a unique and professional perspective on our environmental impacts and guides our comprehensive approach to emission management.

Our sustainability journey benefits significantly from the insightful CDP evaluation, enhancing our understanding of environmental impacts and guiding our emission management for a holistic approach.

We foresee ourselves to evolve along with CDP’s questionnaire as they fine tune and consider from a SME perspective, on the Net Zero decarbonization journey, fostering solid emission reduction measures.





# 4.6 EXTERNAL RECOGNITION

## 2024 SEDEX SUPPLY CHAIN AWARD

In 2024, Concept 4 was honoured with a nomination for the **Best Practice Award – Environmental Contribution** at the **2024 SEDEX Supply Chain Awards**. This recognition highlights our proactive efforts in addressing the growing global emphasis on carbon emission reductions, as well as the evolving regulatory landscape surrounding carbon footprint reporting — including critical measures such as the Carbon Border Adjustment Mechanism (CBAM).

To meet these challenges and support both organisational and supply chain-level sustainability, we developed an in-house tool called Impact Tracker. This innovative calculator enables us to monitor and track the carbon footprint of our operations and products in real-time. By integrating this tool into our processes, we not only ensure compliance with current and future reporting requirements but also reinforce our commitment to environmental stewardship and continuous improvement.

Additionally, Yuvina Tsoi, our Sustainability Assistant Manager, was nominated for the **Exemplary People Award** at the SEDEX Awards. This prestigious nomination is a testament to the dedication, expertise, and collaborative spirit of our sustainability team, whose ongoing efforts are pivotal in advancing the company’s sustainability goals.

These recognitions reflect our commitment to innovation, accountability, and leadership in sustainable supply chain practices.



2024 年 Sedex 供应链大奖  
2024 Sedex Supply Chain Awards



### 提名证书

Certificate of Nomination

兹在表彰与奖励企业、机构和个人在供应链的环境与社会方面的贡献与创新  
To recognize businesses and people for their efforts to drive social and environmental sustainability in supply chains

兹证明  
This is to certify that

### Concept 4 Limited

获得 2024 年 Sedex 供应链大奖 - 优秀案例奖之环境贡献 提名  
was nominated for Best Practice Award-Environmental Contribution  
of the 2024 Sedex Supply Chain Awards



林家浩  
Walter Lin  
Sedex 亚洲区董事总经理  
Managing Director, Asia, Sedex  
2024.8

2024 年 Sedex 供应链大奖  
2024 Sedex Supply Chain Awards



### 提名证书

Certificate of Nomination

兹在表彰与奖励企业、机构和个人在供应链的环境与社会方面的贡献与创新  
To recognize businesses and people for their efforts to drive social and environmental sustainability in supply chains

兹证明  
This is to certify that

### Yuvina Tsoi

获得 2024 年 Sedex 供应链大奖 - 优秀人物奖 提名  
was nominated for Exemplary People Award of the 2024 Sedex Supply Chain Awards

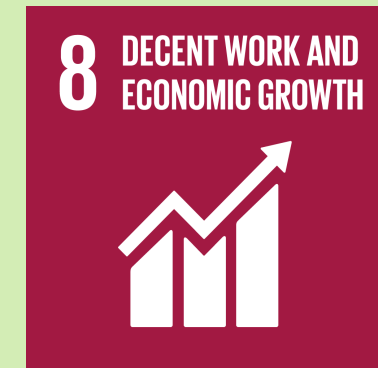


林家浩  
Walter Lin  
Sedex 亚洲区董事总经理  
Managing Director, Asia, Sedex  
2024.8



# 5. BUSINESS ETHICS

We believe that conducting business with the highest standards is fundamental to our sustainability journey. We strive to uphold ethical principles in all our operations, interactions with stakeholders, and decision-making processes. Our Ethics Policy covered our value, our commitments and our key performance index.



# 5.1 ANTI-CORRUPTION

While reaffirming our unwavering commitment to the United Nations Global Compact (UNGC) and its Ten Principles, we are proud to continued our ISO37001 certification for the Anti-Bribery Management System (ABMS) from 2023 till now. This certification reflects our commitment to maintaining the highest standards of business ethics, transparency, and integrity in our business operations and our people. It also provides a framework for preventing, detecting, and addressing bribery and corruption risks.

Our journey towards ISO37001 certification involves a rigorous process of implementing and strengthening our anti-bribery practices:

- We conduct a comprehensive assessment across all company divisions to identify our bribery risks, review existing policies and controls, and develop measures to mitigate these risks.
- The Senior Director of Operations, Supply Chain and Sustainability is appointed as the Anti-bribery Compliance Function and Management Representative of the ABMS to align our policies and procedures with the requirements of ISO37001. This ensures that our anti-bribery controls are robust, effective, and aligned with international best practices.
- Thorough awareness training is conducted for our employees, emphasizing the importance of preventing and reporting bribery and corruption.
- The Whistleblowing Committee is appointed to serve as an independent body responsible for receiving, investigating, and addressing any reported incidents of wrongdoing, unethical behaviour, or policy violations.
- We communicate with stakeholders, including our employees, clients, and suppliers, regarding our Anti-bribery policy, actively seeking feedback to enhance our anti-bribery practices.



## **EMPLOYEE CODE OF CONDUCT and BUSINESS ETHICS**

In addition to our anti-corruption policy, Concept 4 upholds a strong commitment to ethical conduct and business integrity through our Employee Code of Conduct and Business Ethics. This comprehensive document serves as a guiding framework for our employees, outlining the principles and values that govern their behaviours and interactions within the company, with clients, and with suppliers. Our employees should conduct themselves with honesty, transparency, and accountability, across different aspects, including professional behaviours, confidentiality, conflicts of interest, fair competition, and respect for human rights. By adhering to these guidelines, our employees demonstrate their commitment to maintaining the highest standards of integrity in all aspects of their work.

As part of our onboarding process, all new employees are required to thoroughly read and understand the Employee Code of Conduct and Business Ethics. They are also expected to sign a commitment to comply with these policies, reinforcing their understanding and dedication to upholding ethical practices within our organisation.

By establishing and enforcing these policies, Concept 4 fosters a culture of integrity, trust, and ethical decision-making. We believe that by conducting our business ethically and treating all stakeholders with respect, we not only maintain the trust and confidence of our clients but also contribute to a fair and sustainable business environment.

We are committed to regularly reviewing and updating our Employee Code of Conduct and Business Ethics to ensure that it remains relevant and aligned with legal and industry standards. Through ongoing education, training, and communication, we strive to create a work environment where ethical conduct is valued, celebrated, and consistently practiced by all members of our organisation.

## **CORRUPTION PERCEPTION INDEX (CPI)**

We are committed to promoting a culture of integrity, transparency, and ethical conduct in all aspects of our business operations. As part of our sustainability efforts, we have implemented a proactive approach to combat corruption by utilizing the Corruption Perception Index (CPI) ranking of our suppliers and clients' geographic locations.

We recognize that corruption can undermine sustainable development, erode trust, and have significant negative impacts on society and the environment. To mitigate these risks, we have integrated the CPI ranking into our decision-making processes, particularly in purchasing and selling activities. By considering the CPI ranking, we aim to raise awareness among our staff members regarding the importance of anti-corruption measures and the potential risks associated with engaging with entities in regions that have a higher prevalence of corruption.

To ensure that our staff members stay informed and up-to-date, we provide regular updates on the CPI index. These updates are shared globally, enabling our employees to make well-informed decisions aligned with our commitment to ethical practices and transparency. By fostering awareness and understanding of the CPI rankings, we empower our staff to make responsible choices that uphold our core values and contribute to a sustainable business environment.

## **COMPULSORY TRAINING**

Awareness training on anti-bribery is conducted throughout the organisation, reaching every staff member. We are committed to providing this training on a minimum yearly basis to reinforce our anti-bribery policies and expectations. These training sessions cover topics such as recognizing bribery risks, understanding relevant laws and regulations, and promoting ethical decision-making.

In addition to our internal training, we place great importance on external resources and collaboration to further enhance our anti-corruption efforts. Therefore, all staff members are required to attend the training again corruption organized by the Independent Commission Against Corruption (ICAC), an organisation operated by the Hong Kong Government. This training session takes place at our office once a year, providing employees with valuable insights and practical knowledge on combating corruption in our business environment.

Through regular training sessions and collaboration with external organisations, we foster a culture of integrity, transparency, and responsible business conduct.



# DUE DILIGENCE ON VENDOR ETHICS PRACTICES

The company is committed to driving responsible practices across our supply chain. As part of our broader anti-corruption efforts, we also emphasize the importance of robust due diligence procedures.

Since 2023, we introduced an enhanced supplier onboarding process aimed at ensuring the highest standards of business ethics and compliance. As part of this process, we have implemented a comprehensive due diligence check conducted via TianYanCha.com. This platform provides valuable information that allows us to screen potential suppliers for any significant violations related to business ethics. This diligent screening process helps us make informed decisions and select suppliers who share our values and maintain a high level of ethical conduct in their business operations.

# WHISTLEBLOWING AND INVESTIGATION PROCEDURE

In 2024 January, we have received an anonymous email regarding a suspected case about one employee being offered and have rejected a potential bribe from an external via our whistleblowing email which directed to the Management Representative of ABMS. Immediately our investigation process were arranged and have identified suspected partner. After confirmation from the results of the investigation, business relationship with them has been approved by the Top Management to terminate and phase out gradually. Until the point of this report, all production has been successfully phased out from the facility.

After closing the case, the Committee has reviewed the whole case from receiving the report, conducting investigation, to making decision on the final action. The Committee has agreed and felt relieved that the case has been reported since our employee has upheld their Code of Conduct, as well as that our Whistleblower Policy has been trusted by our employees, and the investigation has completed smoothly.

We will continue to monitor and review potential bribery risks, policies and remediation procedures to ensure the effectiveness of our ABMS.

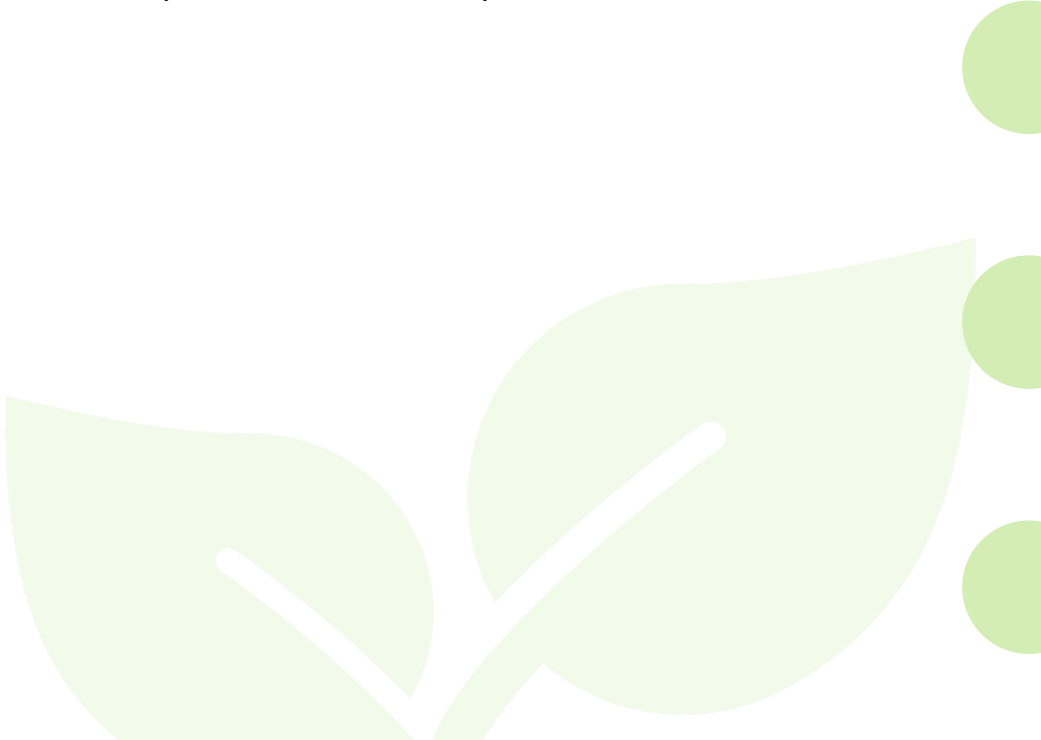
# CONTINUOUS MONITORING

In accordance with ISO37001 requirements, our company maintains a system of continuous monitoring to uphold ethical standards and prevent any potential violations. As part of this proactive approach, each department manager is required to complete a quarterly Ethics Report, outlining their activities and confirming adherence to ethical guidelines and policies. By implementing this reporting mechanism, we ensure that ethical practices are consistently followed across all departments, fostering a culture of transparency, accountability, and integrity. This process enables us to identify any potential issues or areas for improvement promptly, allowing for timely corrective actions and demonstrating our commitment to maintaining the highest level of ethical conduct throughout the organisation.

Each department also has the responsibility to regularly review their risk register for any potential bribery risks specific to their operations. This proactive approach ensures that we stay vigilant and responsive to the evolving legal and regulatory landscape.

Our departments are tasked with monitoring and assessing any new laws or regulations that may impact bribery risks. This includes staying informed about relevant legislation, industry guidelines, and international standards related to anti-bribery practices. By actively reviewing and updating our risk register, we can identify and address any emerging bribery risks promptly.

By continuously monitoring and updating our risk register, we promote transparency, reduce the potential for bribery, and uphold our commitment to responsible business practices.



## 5.2 MODERN SLAVERY

'Modern slavery, which is defined as the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation'

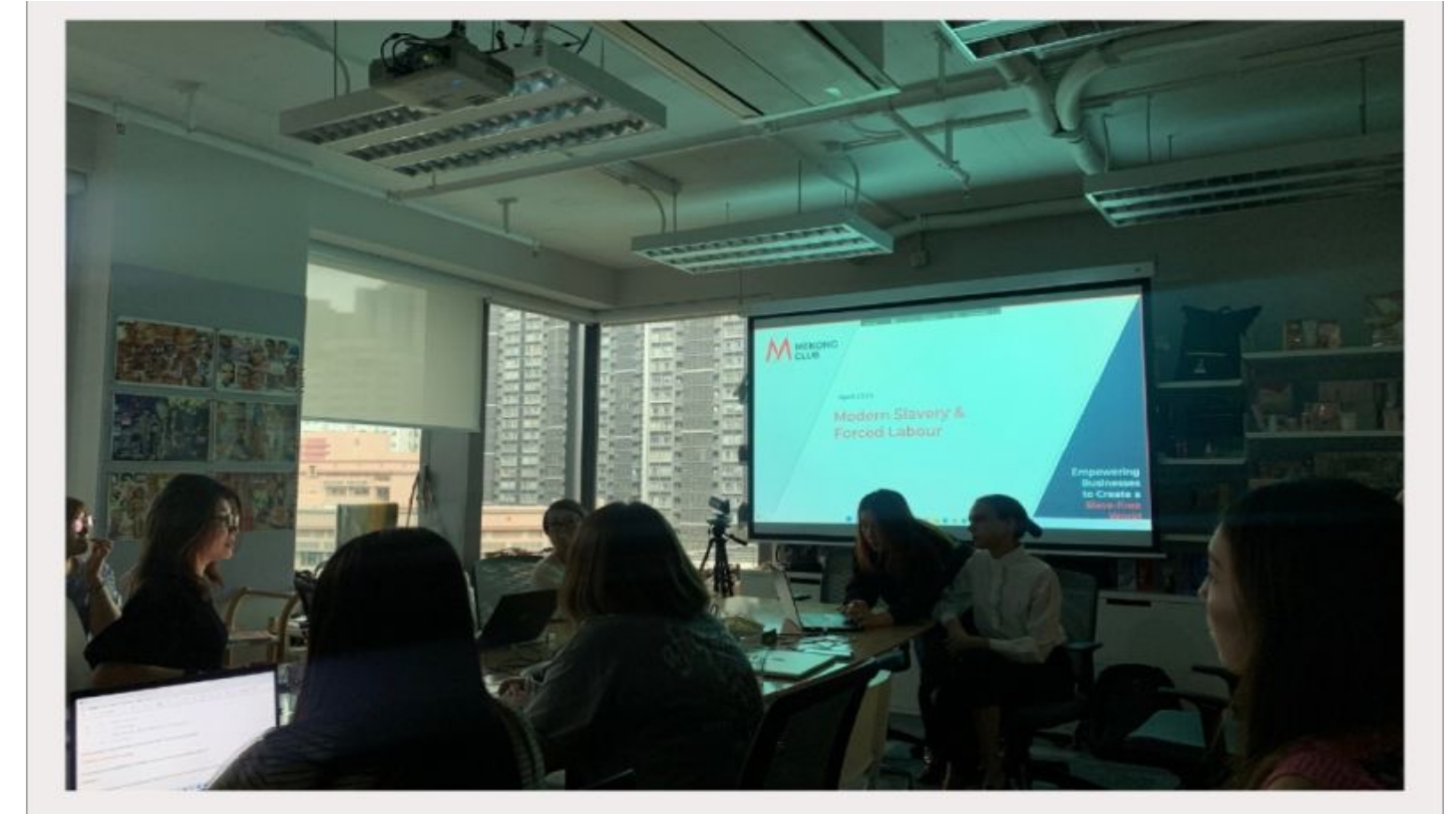
We have become a member of the Mekong Club since January 2024, with the vision to work together with The Mekong Club and other like-minded private entities to practice against modern slavery across the globe, working towards a slave-free world. With the modern slavery act in major markets, we as well hope to equip our business with anti-slavery tools and resources.

After joining, we have passed through an initial assessment to identified our policy and procedure gap. We have also participated in several working groups, with topics covering How buying company can address: Harassment in Factories; How to improve Remediation and Grievance Mechanisms and more.

With the Modern Slavery Act implementing in more and more important markets to our business, we are currently in the progress of constructing and modifying our existing policies and risk assessments, in order to fulfil and address modern slavery and related issues along our supply chain.



### ***Introductory Training On Modern Slavery***



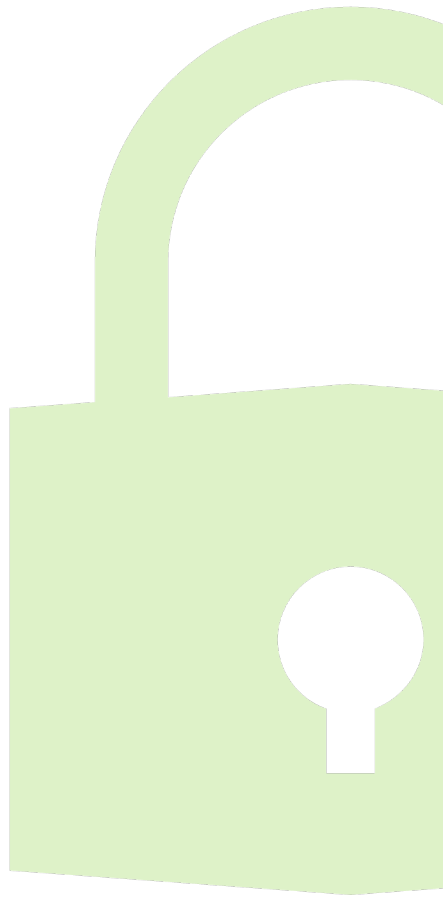
## 5.3 DATA PROTECTION

At our company, data protection is of utmost importance as we strive to ensure the confidentiality, integrity, and availability of information. As part of our commitment to maintaining the highest standards in information security, our Information Security Management System (ISMS) has been certified with ISO27001 since 2023 until now.

We prioritize the protection of the company's data and have implemented measures to ensure its confidentiality, integrity, and availability. Based on ISO27001 requirements, we encompassed policies, procedures, and controls that enable us to effectively manage risks related to these data.

Through ISO27001, we continuously assess and mitigate potential security risks to safeguard our data from unauthorized access, accidental loss or unauthorized disclosure. This includes implementing appropriate technical and organisational measures, such as encryption, access controls, regular vulnerability assessments, and staff training on data protection protocols. We understand that robust data protection is not only crucial for our business operations but also builds trust among our stakeholders and contributes to our long-term sustainability objectives.

In 2024, we have not received any reported case of infringement or secured incidents on our information system. We will continue to monitor and review regularly on the reporting mechanism and risk identification procedure.





## 5.4 INTELLECTUAL PROPERTY RIGHTS PROTECTION

As a responsible and ethical organisation, we recognize the significance of protecting intellectual property rights. We believe that, apart from safeguarding our own assets, robust intellectual property rights protection practices also foster innovation, support fair competition, and contribute to the overall sustainability and growth of our organisation.

Intellectual property encompasses a wide range of assets, including patents, trademarks, copyrights, trade secrets, and proprietary information. We understand the importance of safeguarding these valuable assets against unauthorized use, theft, or infringement. Our intellectual property protection practices include:

- **Classification and access controls:** We classify our intellectual property assets based on their sensitivity and implement access controls accordingly. Only authorized individuals with a genuine need for access are granted permissions, and strict monitoring mechanisms are in place.
- **Physical Security:** We have implemented physical security measures, such as CCTV surveillance and visitor management systems, to safeguard physical assets containing intellectual property.
- **Confidentiality and non-disclosure agreement:** We include these clauses in our Employee handbook with our employees, as well as with our suppliers and service providers in our Confidentiality and non-solicitation deed.
- **Employee awareness and training:** We provide comprehensive training to our employees to raise awareness about intellectual property rights and the importance of protecting them.

By fostering a culture of respect for intellectual property, we ensure that our workforce understands their responsibilities in safeguarding these assets.



# 5.5 ETHICAL MARKETING AND ADVERTISING

In 2024, we are thrilled to introduce our new marketing team, poised to shape our brand's presence with a focus on ethics, accuracy, and creativity. This dynamic team is dedicated to ensuring that our messaging remains compelling, authentic, and truthful, leveraging innovative tools to engage our audience in exciting new ways. We are confident that their efforts will resonate with our audience while staying true to our values.

Acknowledging the significant influence of marketing and advertising on public perceptions and consumer behaviour, we launched our Ethical Marketing Policy (C4-MKT-001 V001) in June 2023. This policy underscores our commitment to corporate social responsibility and sustainability.

Designed to align all marketing and advertising activities with our core values, promote transparency, and uphold ethical standards, the Ethical Marketing Policy provides guidance for our employees, suppliers, and partners. It outlines principles such as honesty, ongoing reflection on projects, rejection of impact washing, cultural sensitivity in campaign creation, permission-based email marketing, ethical digital advertising, and white-hat search engine optimization.

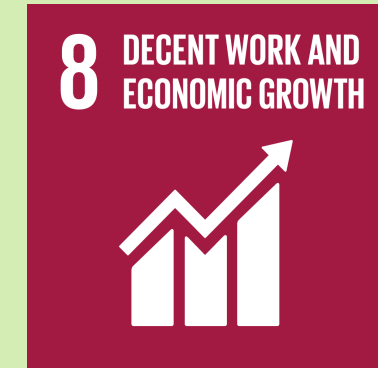
By adhering to ethical marketing practices, we not only build trust and nurture lasting customer relationships but also progress towards our sustainability objectives.





# 6. ENVIRONMENT

Nature forms the foundation of our world, our livelihoods, and our communities. As we face the challenges of escalating global warming, and increasingly severe weather patterns, safeguarding our environment is paramount. Our Environmental Policy and Strategy focuses on responsibly sourcing materials and manufacturing goods with a keen eye on their environmental footprint, particularly in terms of emissions and the disposal of products at the end of their life cycle. We accomplish this by prioritizing efforts to raise awareness and carefully selecting materials from sustainable sources.



# 6.1 ENVIRONMENTAL CERTIFICATION AND COMPLIANCE



Continuing our effort since 2022, we are maintaining our environmental management systems through adopting international standards and attaining recognitions from world-recognised certifications..

We have taken the first steps towards developing a net-zero strategy, and that it is actively working to establish long-term targets that are aligned with the SBTi's net-zero criteria. The SBTi has approved our near-term science-based emissions reduction target. We have also committed to set long-term emissions reduction targets with the SBTi in line with reaching net-zero by 2050.

We have attained our highest-ever rating of B in the SME Climate Change questionnaire 2024 through of the Carbon Disclosure Project (CDP). As well as scoring 90 out of 100 in the Environmental Pillar of EcoVadis in May and UN Global Compact Communication on Progress in April. We are proud to be assured by TUV Rheinland with limited assurance on our carbon calculation methodologies according to with ISO14064 and the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard by the World Resources Institute, for 2 years since 2022.

To raise sustainability awareness among our stakeholders, we've provided thorough ESG training internally through the EcoVadis Academy, covering topics like greenhouse gas policy, waste management, biodiversity, and sustainable procurement. All employees, including new hires, must complete these courses. Externally, we enhanced our supplier training with extra content on carbon accounting, plastic footprints, and biodiversity management. Additionally, we shared complimentary training sessions organized by SEDEX China and EcoVadis on management systems and renewable energy sourcing throughout the year.

Concept 4 ensures that all our operate sites and business activities comply with local and national environmental regulations and beyond them in certain materiality issues. We are constantly monitoring the regulations in the geographic markets where our finished goods are sold to prepare ourselves and our clients with relevant production, traceability or due diligence requirements.

Along our supply chain, we strictly require and ensure all our active suppliers to be complying with all local environmental regulations. We conduct regular on-site audits to conduct document check and implementation of policies. Concept 4 also appreciates suppliers with certification relating to environments. Including ISO 14001 Environmental Management System and ISO 50001 Energy Management System and other credible product certificates. By 2024, Concept 4 has 27% of suppliers with the corresponding EMS certificates, proving their effort for identifying, managing, monitoring, and controlling environmental issues. We will continue to select our suppliers with consideration in this aspect.





# 6.2 ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

## TARGETS

With respect to the Paris Agreement of limiting global warming to no more than 1.5 °C above pre-industrial levels, Concept 4 Limited commits to reduce scope 1 and scope 2 GHG emissions 42% by 2030 from a 2022 base year, and to measure and reduce its scope 3 emissions. We commit to reach net-zero by 2050. As part of this, we commit to reduce scope 1+2+3 emissions 90% by 2050 from a 2022 base year. (SBTi ID: 40002322)



We have taken the first steps towards developing a net-zero strategy, and that it is working to establish long-term targets that are aligned with the SBTi’s net-zero criteria. After being validated, we have reviewed our assured emission figures from the previous years and have decided to align our internal energy consumption target with the near-term target. To reduce our energy consumption by 42% by 2030 from our 2022 baseline.

In 2024 emission accounting cycle, we are continuing to improve from spend-based method to distance-based or hybrid for all our categories. We have launched an official supplier data collection survey for direct data on carbon emissions, fuel and energy consumptions, water and waste management. This measure prepares our company and the suppliers in identifying gaps for data collection and monitoring, setting our impact baseline and targets, and developing our thorough impact reduction strategy.

One of the highlight is the update of method from average-data to distance-based method for the first time ever in Category 7 Employee Commuting. We have trial tested with a full employee survey about their daily commuting method from home to their workplace, to collect the transportation method and distance.

We are in frequent review and source identification for our emission inventory and methodology including the scope, calculation methods, use of emission factors annually to ensure our calculation does reflect the actual emission brought by our business and along our supply chain. We are currently preparing for the audit for 2024 emission data which will later be updated after the release of results.



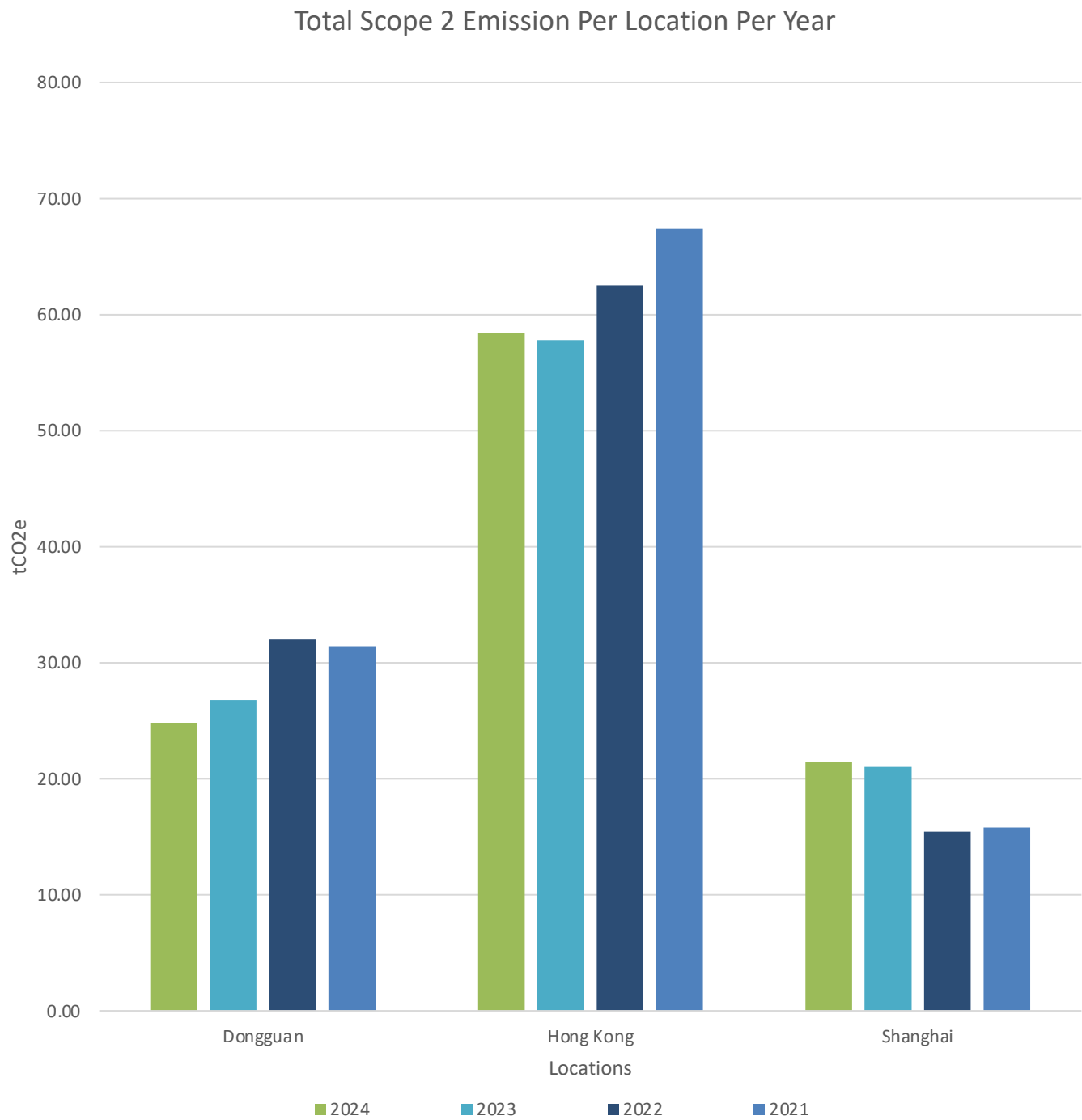
# 2024 PERFORMANCE

## Scope 1

Concept 4 does not have any recorded scope 1 emissions, as we do not own any fuel-consuming facilities nor vehicles. One potential emission source that we have identified this year is our potential consumption or replacement of refrigerants from our office refrigerators and air conditionings. No records of such actions are recorded, and we will continue to monitor the source.

## Scope 2

Electricity consumption from our office environments in Hong Kong, Dongguan and Shanghai, are the only contributor for the scope 2 emission. For France, Concept 4 has a billing address in a shared office environment. After several rounds of communication with their management team, it is confirmed that they are unable to separately account for the electricity consumption and hence the related carbon emission of our French colleagues.



In the fourth year of assessing our Scope 2 emission, we have recorded a slight drop of 5.00% from 2022 to 2024. Hong Kong as the headquarter has the highest electricity consumption among all offices and have observed a decreasing trend of 6.52% from 2022 to 2024. Shanghai has a notable increase of 38.64% from 2022 to 2024 in consumption due to change of office location. Despite the increase in consumption, the average emissions per employee lowered from 0.93 (2022) to 0.87 (2024) due to a reduction in the carbon emission factor.

With a more comprehensive understanding our electric appliances and consumption pattern, we are designing an energy reduction plan to progressively enhance our consumption efficiency.



# 2024 PERFORMANCE

## Scope 3

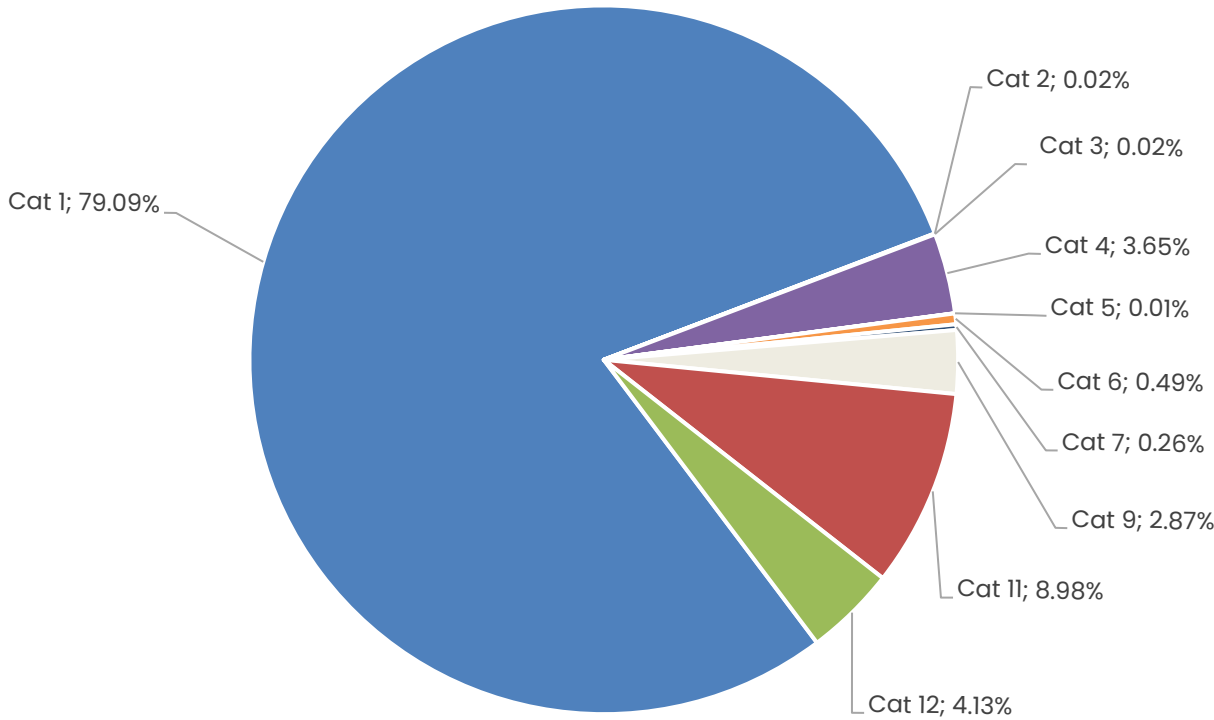
Scope 3 represented more than 99% of our company’s total emissions. Therefore, though it is voluntary to report on it, we have included relevant categories of scope 3 to present an accurate overview of our entire company’s carbon footprint across its value chain.

In 2023, Category 1 purchased goods and services, Category 4 upstream transportation and distribution, Category 9 Downstream transportation and Category 12 End-of-life treatment of sold products have taken up more than 95% of the scope emission. While Category 8 upstream leased assets, Category 10 processing of sold products, Category 13 downstream leased assets, Category 14 franchises and Category 15 investments remains irrelevant to Concept 4’s emissions. Categories 2, 3, 5, 6, 7, 9 and 11 are non-hotspots of Scope 3 emission and would not be highlighted in the report. Data for calculating scope 3 is collected annually from our suppliers and extracted from our supply chain database, whereas the emission factors are extracted from database ecoinvent, IEA, DEFRA and Higg MSI.

This is the first time recording a drop in our overall Scope 3 emission since 2022.

Data quality improvement will be in place continuous by conducting more product life-cycle analysis and detailed mapping of our materials.

Scope 3 Percentage of Emissions in 2024



### Category 1

**Purchased Goods and Services** emissions are of 87% from materials and 13% from supplier’s energy consumption. The analysis reveals that electricity consumption is the largest emission source for all Tier 1 suppliers, followed by natural gas and cooling refrigerants. Bags, Hair accessories and cosmetics have the highest combined emissions overall. We have recorded a greater number of suppliers provided us with emission figures after assurance, which made our category 1 calculation more credible.

**Other Emissions In Provision of Our Services** are induced from our general office consumptions on stationeries, office food and beverages, and cleaning fees.

### Category 4 and 9

**Upstream and Downstream Transportation**, they emerge as the second largest category, accounting for 4% and 3% of our Scope 3 respectively. Category 4 recorded slight increase due to a greater number of shipments even though weight of shipment decreased slightly. Whereas 38% reduction is recorded in category 9 since there was less urgent shipments by air requested by clients. This data underscores the significance of exploring alternative shipment plans with sustainable fuels and optimizing logistics to minimize these emissions.

### Category 11

**Use of Sold Products** includes the indirect energy use during washing and drying of our apparel products which takes up 9% in 2024. It has increased 102% from 2023 since our sales volume on textile products have also recorded similar growth.

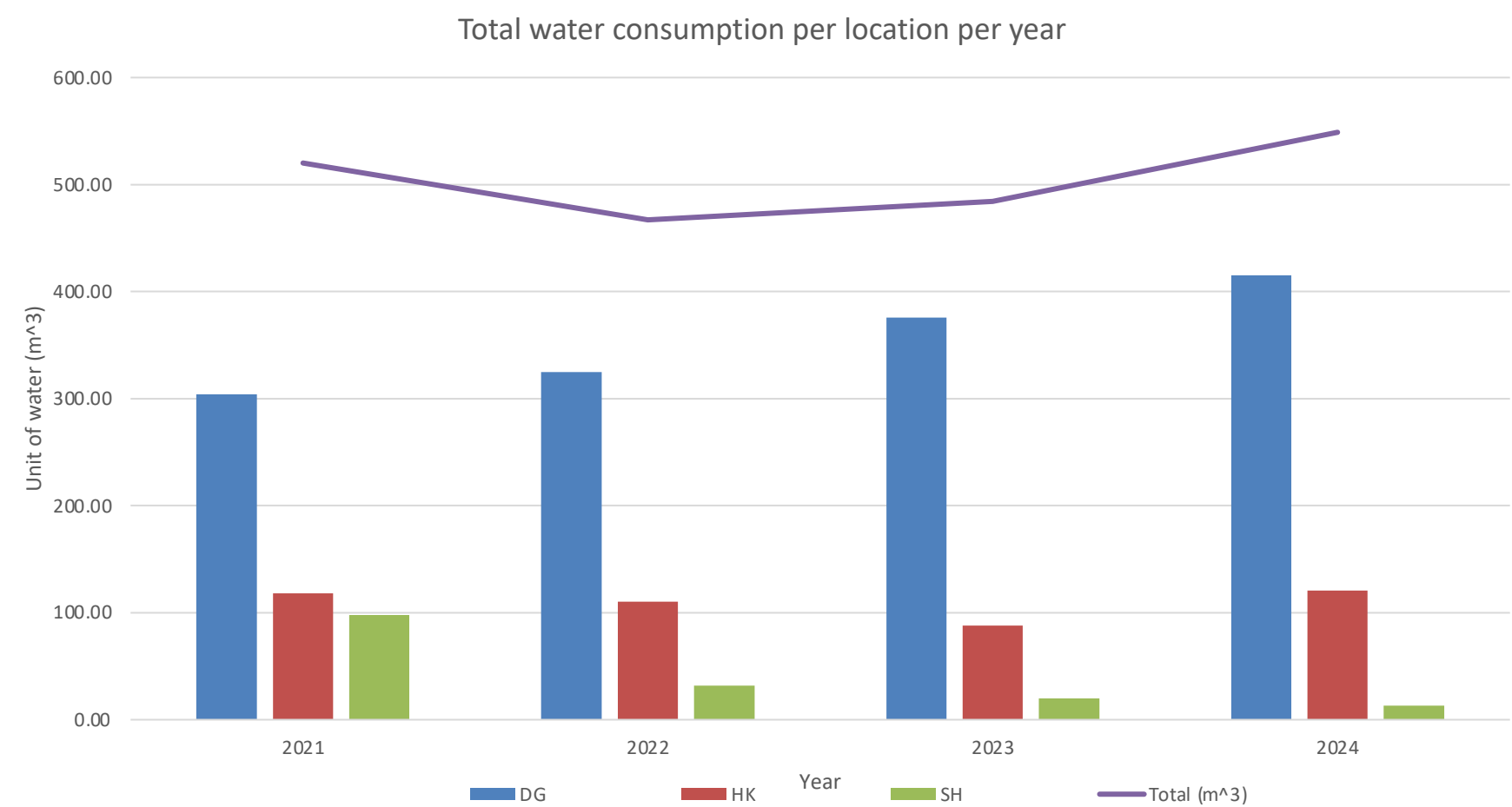
### Category 12

**End-of-life of Sold Products** represents the third largest category, contributing to 7% of the Scope 3 emissions. The rise in this category can be attributed to the elevated emission factor associated with paper and wood, stemming from the release of methane during landfilling and composting processes.

By focusing on sustainable sourcing, material choices, transportation optimization, and effective waste management, we aim to establish a comprehensive strategy to gradually reduce our carbon emissions. Through collaborations and cooperations with our stakeholders, may we make big steps towards our reduction targets.



# 6.3 WATER MANAGEMENT



In the daily operations, Concept 4’s contacts and impacts on water sources are very limited since we are fully office-based. Interactions including the use of sea water piping for flushing, freshwater consumption in pantry and toilets. We have no control and influence on the source, supply and discharge of water. Hence, we only have a brief approach on water management, water usage tracking, and a few efficiency initiatives. We have set a goal to reduce water consumption by 15% by the year 2030, with 2021 as the baseline.

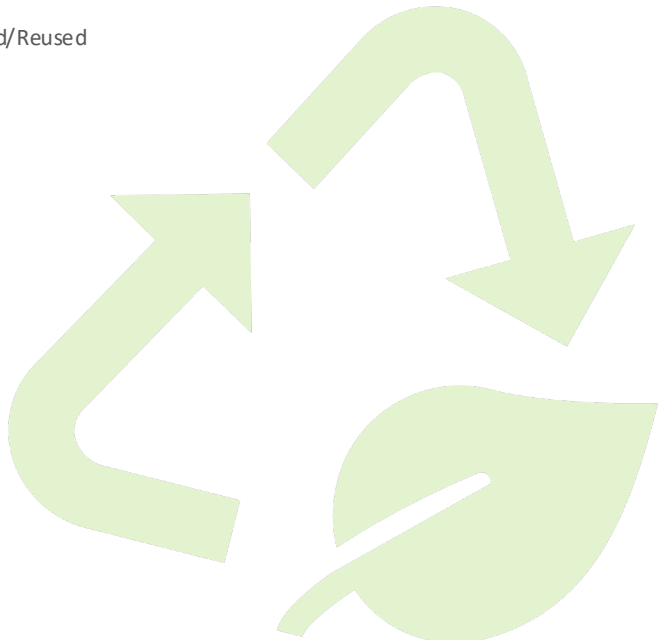
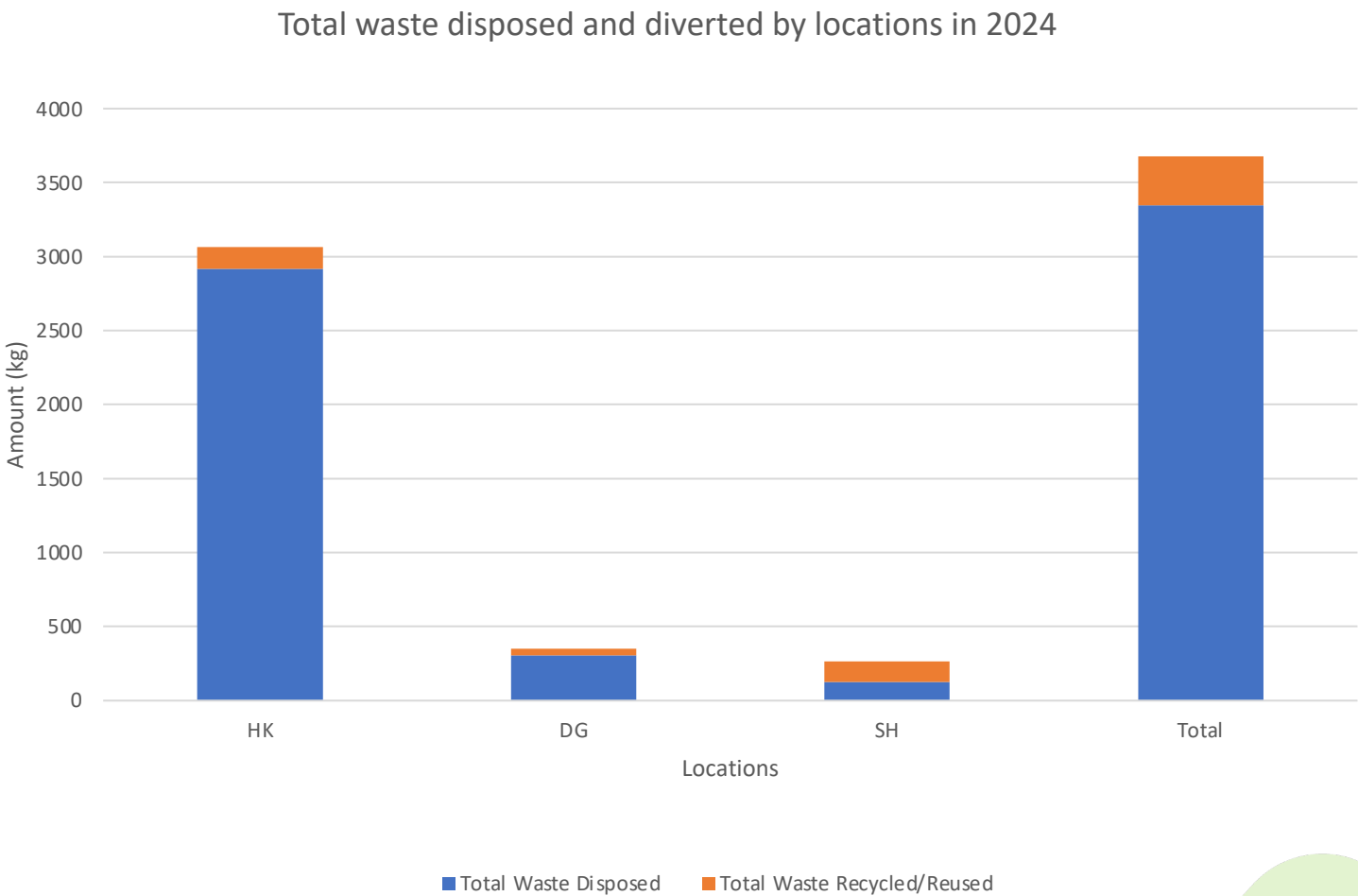
There is 18% increase in our water consumption from 2022 to 2024. Despite the challenges, Dongguan has increased its consumption by 28% due to increased requests for product testing in our laboratory. Hong Kong slightly increased its consumption by 9% due to the increase in the number of employees. While Shanghai offices, after relocating the laboratory equipment to Dongguan, have lowered our water consumption substantially by 59%.



# 6.4 WASTE MANAGEMENT AND RECYCLING INITIATIVES

Our company is highly aware of the environmental impact of the generation and disposal of waste to the land and especially the gas emission at landfill. We have implemented a waste management strategy, as in recycling programs, and waste reduction initiatives. Our overarching goal is to strive for a 30% reduction in waste production by 2030. 2023 is the first year with full raw data collected from all office locations, it will set a baseline for future monitoring and analysis.

In 2024, we have generated 3347.22kg of general waste, with a 9% diversion rate, which emits 1.67 tCO2e. The performance graph shows that the Hong Kong office generated the most waste, 83.29% of the total, followed by the Dongguan and Shanghai offices. Among all recyclables, we have recycled paper the most by weight in all locations. While Hong Kong has recycled the greatest number of recyclables by weight comparing with other offices.



# 6.4 WASTE MANAGEMENT AND RECYCLING INITIATIVES

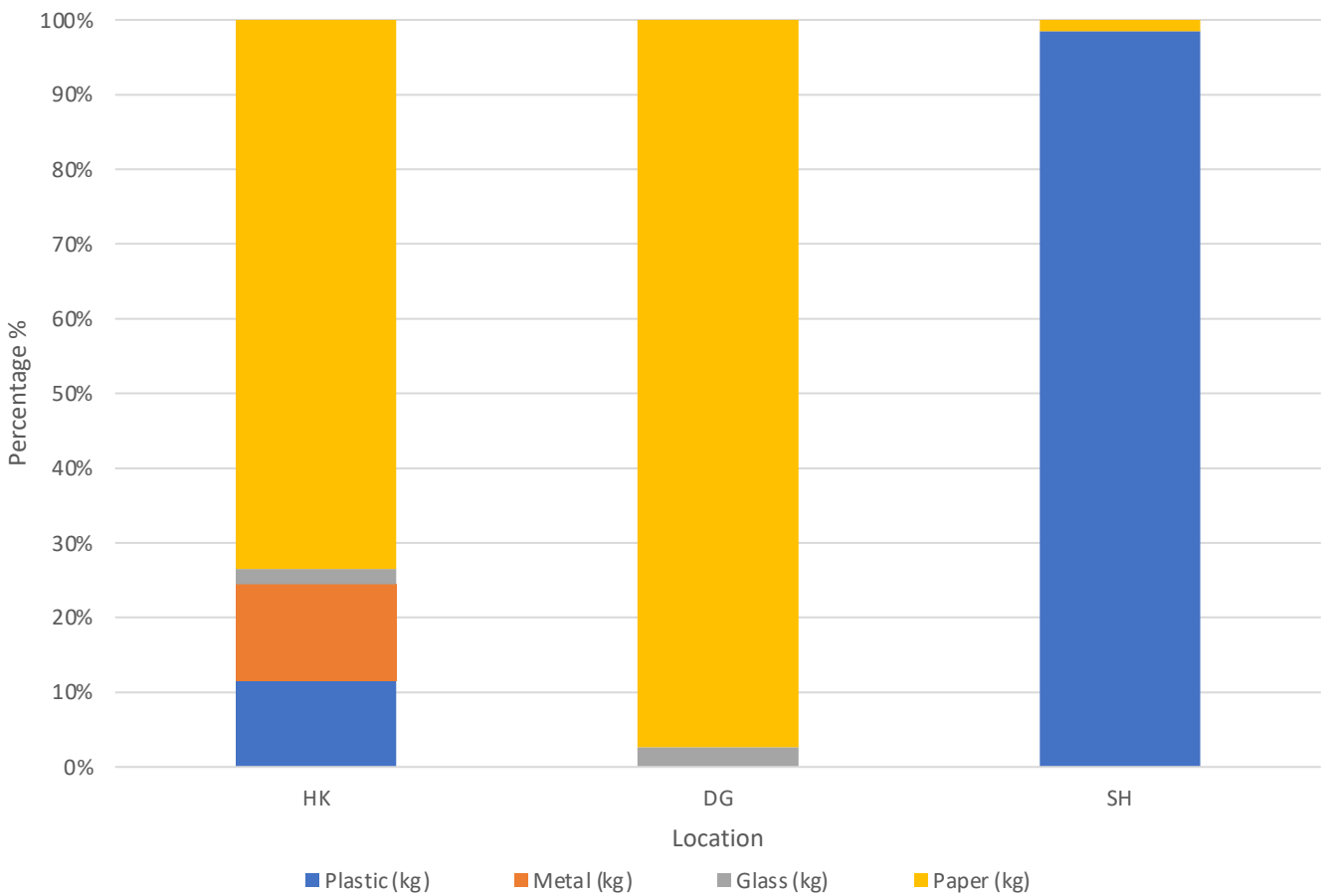
To achieve these targets, we have established comprehensive waste diversion measures in all our offices. We strive to increase waste diversion by recycling various materials, including paper, cardboard, plastics, aluminium cans and glass bottles. We ensure that our collected recyclables are diverted from landfills to being collected by the landlords via the local government’s official recycling logistics teams, hence reintegrated into the production cycle as valuable post-consumer material.

We also prioritize the responsible management of hazardous waste. Hazardous waste from our office premises include, batteries, electronic appliances or some of our chemical product samples. We collaborate with nearby community centres and non-profit organisations to donate or recycle our reusable and functional items.

In the future, we seek opportunities in closing the loop and diverting furthermore types of office generated waste, such as compostable food waste and coffee cups, and even regenerative initiatives.



% of diverted waste per type per location in 2024





# 6.5 SUSTAINABLE OFFICE PRACTICES

At Concept 4, we are committed to integrating sustainable practices into all aspects of our operations, including our office environment which are the only few aspects we have control over. Here are some of the sustainable office practices we have implemented:



## REDUCE

- Ban the use of single-use cutlery, bottles, and related plastics in office events
- Encourage the use of reusable alternatives, (sanitary chemicals, hand soap, etc)

## REUSE

- Maximize utilization of cartons, plastics, polybags and packaging materials for sample deliveries
- Promote paper use on both sides and beyond where feasible

## RECYCLED

- Collect plastic, aluminium, paper and glass in designated recycling bins in each offices
- Treat regulated waste electrical and electronic equipment (WEEE) as per local regulations

## REPLACE

- Transit to using rechargeable batteries for all office devices
- Install 90% of LED lightings in all offices area, where applicable
- Purchase only FSC 100% certified bamboo toilet tissues and wipes
- Shift to the use of biodegradable sample polybags for delivery



# 6.5 SUSTAINABLE OFFICE PRACTICES

At Concept 4, we are committed to integrating sustainable practices into all aspects of our operations, including our office environment which is the only few areas that we have control over. Here are some of the sustainable office practices we have implemented:



## AWARENESS

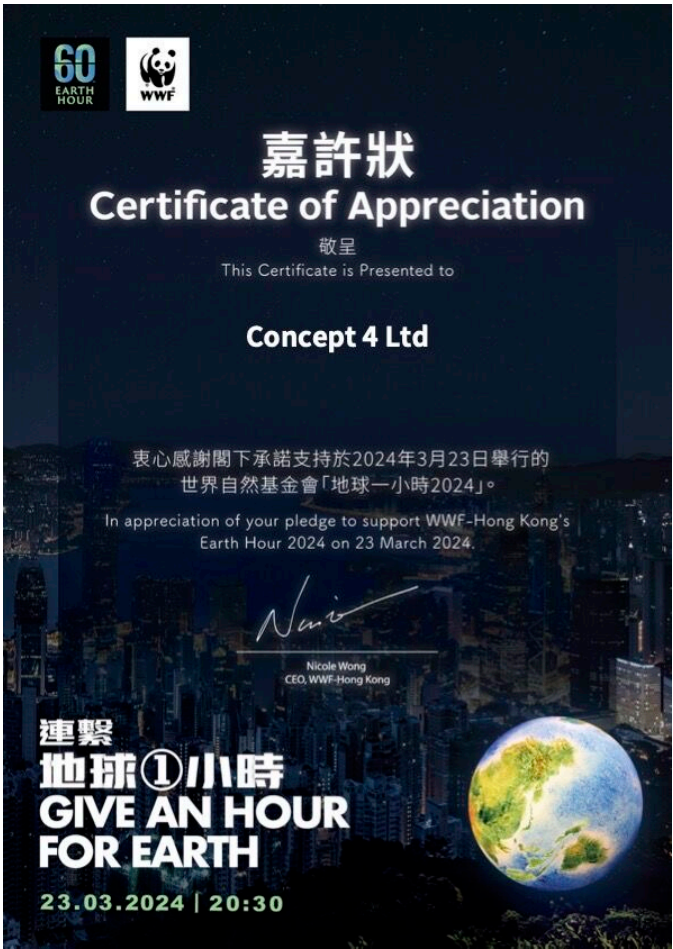
On the Global Recycling Day 2024, our sustainability team has organised an interactive recycling game for all offices, with common recyclables appearing in the office. It followed up with a short video and tips on how to correctly sort and recycle these common waste. The amount of recyclable collected in the following months has been remarkably increased.

General energy and water saving tips are also first launched to global staffs, so as to raise the environmental consciousness when consuming these resources at work and even in their home.

## POWER DOWN FOR THE BIGGEST HOUR FOR EARTH

On March 25, we continued to pledge WWF Hong Kong's Earth Hour 2024 for the 3<sup>rd</sup> consecutive year. This is an initiative raising awareness about climate change and energy conservation. We have shared and asked colleagues to join the action of powering down all lights at the designated hour.

In recognition of our support, we received a certificate of appreciation from WWF Hong Kong. This acknowledgment reinforces our dedication to educating internally on responsible energy use and contributing to a greener future.



# 6.5 SUSTAINABLE OFFICE PRACTICES

In addition to the above sustainable office practices, Concept 4 has implemented several other initiatives to further enhance our environmental stewardship:

## ***AIR QUALITY AND TEMPERATURE CONTROL***

We regularly measure and track air temperature and quality to ensure a comfortable and healthy workspace for our employees. If the measurements exceed predefined limits, appropriate remedial actions are promptly taken to address any issues, ensuring optimal air quality and temperature for the well-being and productivity of our team.

## ***ENERGY CONSERVATION***

We have instituted a policy to turn off lighting and appliances in unoccupied rooms. By actively promoting energy-conscious behaviour among our employees, we reduce unnecessary energy consumption and contribute to overall energy conservation efforts. Moreover, we prioritize the use of natural lighting in our office spaces whenever possible, harnessing the benefits of daylight and minimizing reliance on artificial lighting.

## ***ENERGY-EFFICIENT LIGHTING***

We have transitioned to energy-efficient lighting systems throughout our office. By utilizing LED or other energy-saving lighting technologies, we significantly reduce power consumption and extend the lifespan of lighting fixtures, further minimizing our environmental impact.

## ***DONATION AND REUSE***

To minimize waste generation, we actively donate good quality product samples or electronic equipment to charitable organisations locally. This allows us to extend the lifecycle of these items and prevent them from ending up in landfills. Through this practice, we contribute to the circular economy and support organisations in need.

## ***REMOTE WORK AND VIRTUAL MEETINGS***

Work-from-home policy allowed employees to choose one remote workday per week, minimizing commuting and encouraging the use of virtual meeting technology. These efforts not only minimize greenhouse gas emissions but also boost efficiency and productivity through digital tools.

## ***SUSTAINABLE PROCUREMENT***

We are committed to making commercially reasonable efforts to purchase environmentally friendly, locally produced, and sustainably sourced products for our office supplies. By prioritizing sustainable options, we support responsible production practices and minimize the carbon footprint associated with the procurement process.

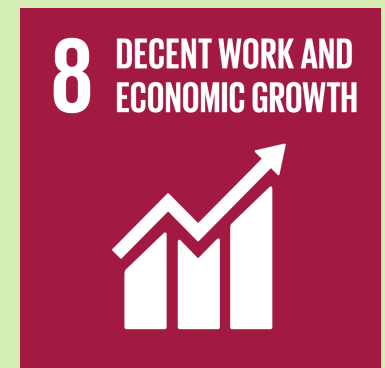




# 7. LABOUR AND HUMAN RIGHTS

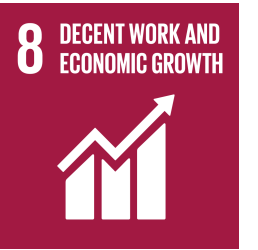
As we celebrate our company's 20th anniversary, our commitment to labour and human rights remains at the core of our values. We understand that the success of our company is closely linked to the well-being, respect, and empowerment of our employees and all those affected by what we do.

We are dedicated to following well-known standards like the Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, and the International Labour organisation's Declaration on Fundamental Principles and Rights at Work. By embracing these principles, we aim to ensure that our conduct is guided by ethics, social responsibility, and the promotion of fair and respectful working environments.



# 7.1 EMPLOYMENT

## 2024 NEW RECOGNITIONS



### *Good Employer Charter*

Concept 4 is proud to be recognized by the Labour Department as a signatory of the Good Employer Charter 2024. This recognition underscores our commitment to creating a work environment that values family needs and supports employees in balancing their professional and personal lives. We practice various considerable workplace arrangements, including flexible working hours arrangements, work from home policy, extended parental, maternal and caregiver leave and other family support programs.

As we continue to uphold the values of the Good Employer Charter, we look forward to enhancing our policies and practices, creating a workplace where all employees can thrive and contribute to our success.

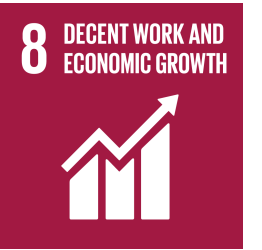


### *Accredited Living Wage Employer*

From April 2024, we have been accredited by Oxfam Hong Kong and Macau as one of the Living Wage Employer in Hong Kong. After a thorough analysis of our salary structure in 2023-2024 to identify any disparities, our management has agreed to make necessary adjustments.

As part of our dedication to equitable compensation, we ensured that all employees, including part-time and temporary workers, received a fair living wage in accordance with applicable national standards. These changes proof that we act and support living wage in the community.

# 7.1 EMPLOYMENT



Concept 4 has employees located in Hong Kong headquarter, representative offices in Dongguan and Shanghai, China, as well as France office in Europe. We continuously record, monitor and analyse data by different parameters. Among permanent employees, we offer a variety of remuneration packages to help them maintain a work life balance and enhance work satisfaction.

## ***HOLIDAY AND LEAVE ENTITLEMENT***

All public holidays are given as according to ones declared by local, regional or national government. Meanwhile the entitlement of annual leave is confirmed in the initial agreement on the employment letter upon joining the company. It is listed clearly in Company's Employee Handbook. Application of leave can be accessed by everyone fairly via HR systems. Concept 4 also offer leave for casual, compensation, condolence, marriage, maternity and anti-maternity, paternity, no-pay, professional, special short or long-term, with prior approval and mutual agreement with the Company.

## ***PART-TIME, FLEX-TIME AND REMOTE WORK OPTIONS***

We recognize the importance of work-life balance and the diverse needs of our employees. In 2023, we expanded our policies to offer part-time and flex-time work options, allowing employees to customize their work schedules to accommodate personal obligations and responsibilities. Additionally, we implemented remote work options where suitable, enabling employees to work from home or other remote locations. These initiatives promote inclusivity and support the well-being of our workforce.

## ***MEDICAL COVERAGE, TRAVEL INSURANCE AND RETIREMENT SCHEME***

All permanent employees are entitled to company medical insurance coverage after the probation period and subject to the terms and conditions of the applicable plans. Where business-related travelling is required, employees are also protected by group travel insurance.

In Hong Kong, Employers and employees are each required to make regular mandatory contributions of 5% of the employee's relevant income to a Mandatory Provident Fund scheme, in accordance with Mandatory Provident Fund Schemes Ordinance. Whereas for Mainland, we ensure our compliance with the Labour Law of the People's Republic of China and offer the insurances as required by Law.

## ***EMPLOYEE SATISFACTION SURVEYS***

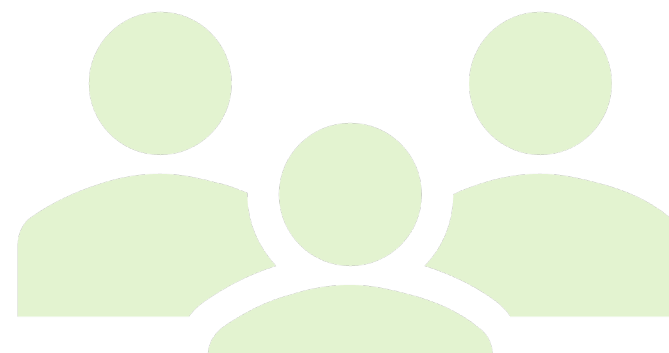
To gauge the satisfaction and engagement levels of our employees, we have conducted comprehensive surveys from 2023 and continued in 2024. These surveys provided valuable insights into employees' working experiences at Concept 4 and with our partners.

To better understand the data received, we wish to seek professional help to analyse the data according industrial standards and compare with other business entities to identify solid areas of strength and areas requiring improvement.

## ***ANONYMOUS SUGGESTION BOX***

To encourage open communication between employees and management levels, the Human Resources department has implemented anonymous suggestion box in all offices to collect honest suggestions, feedbacks or challenges faced by colleagues at our workplace.

According to the Suggest Box Policy, suggestions received will be discussed and investigated by the CEO and HR, then released the decision or improvement actions to be taken. Ever since launch, we have received at least a quarterly global announcements by the CEO on different topics.





## 7.2 HEALTH AND SAFETY IN THE WORKPLACE



We strongly believe that good physical and mental health are essential to a human life and productivity. To ensure healthy lives and promote well-being for all at all ages (UN SGD3), we reinforced through the attainment of ISO45001 Occupational Health and Safety Management System (OHSMS) certification in 2023 for our Hong Kong office. We ensure such measures are implemented in all offices under operational control. This certification demonstrates our dedication to upholding the highest standards of labour and human rights within our organisation.

### **MANAGEMENT SYSTEM IMPLEMENTATION**

The Company has established an effective OHSMS and appointed employees from different functions to form the OHS committee, supervised by the Chair of Committee or Top Managements. The Committee has defined roles and responsibilities, established procedures and protocols, implemented and maintained controls to manage and mitigate risks. This Committee meets annually to review and in case of urgency to respond.

### **POLICY DEVELOPMENT**

We have updated our Health and Safety Policy (C4-HRP-013 V003) and an internal Occupational Health and Safety Manual to align with the ISO norms and objectives and to be prepared for both internal and external OHS risks. This policy outlined our commitment to providing a safe and healthy workplace for all our employees.



## 7.2 HEALTH AND SAFETY IN THE WORKPLACE



Following are the key steps the company have taken to achieve ISO45001 certification:

### ***RISK ASSESSMENT AND HAZARD IDENTIFICATION***

A systematic process was implemented to identify and assess potential risks and hazards within the workplace and to document them for managerial positions to review. This involved analysing work activities, equipment, and environmental factors to determine potential risks to employee health and safety. It will be done annually by Human Rights Department in fulfilment of the local law and requirements of ISO45001.

### ***QUALIFIED DISPLAY SCREEN EQUIPMENT ASSESSOR***

One crucial aspect is conducting Display Screen Equipment (DSE) assessments for each colleague who regularly use display screen equipment which included computers, laptops and screen and working desk.

In 2024, one of our colleague has been equipped with the qualification as a DSE Assessor after attending the professional course under HK Occupational Safety and Health Council. With this, the assessor can evaluate workplace, identify and minimize potential risks to the health and safety for each colleague. This is extremely helpful for new onboarding employees to feel comfortable at a new workplace with us.

### ***EMPLOYEE TRAINING AND AWARENESS***

Signages about working posture, safety, handling of heavy items and more, are posted everywhere in all offices in readable languages.

The company also provides awareness training annually to all employees to ensure their understanding of occupational health and safety requirements, procedures, and responsibilities. This helped foster a culture of safety and encouraged active employee participation in health and safety initiatives.

Ever since the case of one of our colleagues got injured due to slipperiness in 2023, after all the safety procedures put in place immediately, and the refreshment training held. In 2024, we are relieved to announce that there is no OHS related incidents reported.

The compensation process on the 2023 case is still in progress in 2024, we are proactively in arranging compensation, and we hope to completely close the case with both parties' agreement soon.

In the future, we continue striving to create and improve our working environments to safeguard the well-being of all individuals, ensuring our injury rate remains zero.

### ***ACTIVE COMMUNICATION***

Our Management and HR are actively listening to our employee's voice.

Not only do we have the Suggestion Box Policy applicable to receive anonymous feedbacks, but we also have a confidential email to receive official reports and whistleblowing. This email is directly monitored by our Top Management who actively review them with procedures and replies via company-wide announcements.

From the OHS Committee, one of our colleague has taken up the responsibility as the Employee Representatives for OHS related issues. Whenever cases occurred or are reported, the representative will provide support according to the described responsibility.





## 7.3 EMPOWERING OUR PEOPLE



We are fully aware of the importance of empowering our people, ensuring that they have the necessary tools, knowledge, and support to thrive in their roles. We have implemented several initiatives to foster their growth, enhance their skills, and align their daily operations with our sustainability goals.

### ***ANNUAL TRAINING PLANS***

We prioritize the professional development of our employees by designing useful, comprehensive annual training plans for each teams. These plans encompass a wide range of job-related trainings, including communication and negotiation, design thinking, and professional certifications.

By providing training opportunities, we empower our employees to enhance their capabilities, stay up-to-date with industry best practices, and contribute effectively to the success of our organisation.



### ***LINKING SUSTAINABILITY GOALS***

We believe that every employee plays a crucial role in achieving our sustainability goals. To ensure alignment, we have incorporated sustainability into the job description of each position and link the sustainability goals to our annual appraisal form. This process enables our employees to understand how their daily operations and responsibilities contribute to our broader sustainability objectives. By engaging and empowering our people, we foster a sense of ownership and encourage them to actively contribute to our sustainability efforts.



### ***EFFECTIVE COMMUNICATION***

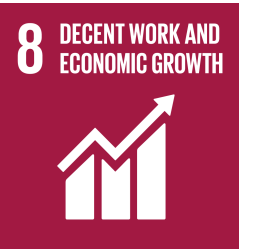
Effective communication is the key to success. Avoiding misunderstandings in words keep teamwork efficient internally, while verbally extracting what the clients need help grasping business opportunities easier. Hence our management has arranged one of the biggest training plan in 2024, the Communication Skill Course hosted by the Hong Kong Professional Training Center.

With the emphasis on the importance of logical thinking, strategical negotiation and presentation skills, all client-facing colleagues have gained useful insights to be applied into their work.





## 7.3 EMPOWERING OUR PEOPLE



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### ***SUSTAINABILITY RELATED TRAININGS***

To align global colleagues with our sustainability strategy, achievements and measures, the sustainability team has taken the initiative to host internal training sessions for all staff members focusing on sustainability 101, general sustainability topics, challenges, opportunities, existing regulations, international standards and our company's strategic approach.

Additionally, specialized training sessions have been tailored for our product design, merchandising and sales teams to guide them on how to emphasize and market our company's sustainable product attributes effectively to our clients. While content also covered how to avoid greenwashing practices in marketing.

These trainings are essential to be conducted annually as they serve to refresh all employees on the latest trends, concepts, and strategies in sustainability. By providing these learning opportunities, we ensure that our team remains well-informed and equipped to integrate sustainability practices into their respective roles, further advancing our commitment to environmental responsibility and ethical business practices.

### ***PHOTOGRAPHY SKILL TRAINING***

Our Design Team has coordinated two exclusive training sessions on photography in Hong Kong and Shanghai. These sessions were tailored for all colleagues whose roles require capturing visually captivating images of our meticulously designed samples.

The primary objective of these sessions is to ensure that the design details and quality are portrayed with utmost precision, enhancing our ability to present our offerings in a compelling and accurate manner to our clients. It is also organized for interested colleagues to develop their own photography creativity skills.



# 7.4 DIVERSITY, EQUITY AND INCLUSION IN THE WORKPLACE

*2024 New Endorsements*



In support of

## WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the  
UN Global Compact Office

### ***FAMILY FRIENDLY CHARTER***

Being a Supportive Family-Friendly Good Employer under the program organized by Hong Kong Labour Department and Family Council, we have pledged to adapt family-friendly employment practices (FFFPs) to enable our employees to balance work and family needs for a win-win situation for all.

Measures to be covered includes caring for employees; promoting work-family/life balance; providing employment benefits more favourable than statutory requirements; and good communication with employees or their associations.

### ***SIGNATORY OF UNWEP***

Our CEO has signed the CEO Statement of Support for the WEPs and hereby Concept 4 is now a signatory of United Nations Women's Empowerment Principles (WEPs).

As part of our commitment, we are preparing our internal policies and measure in respect to UNWEP's 7 principles, to promoting gender equality and women's empowerment in the workplace, marketplace and community.

# 7.4 DIVERSITY, EQUITY AND INCLUSION IN THE WORKPLACE



## EQUAL EMPLOYMENT OPPORTUNITIES

Promoting equal employment opportunities is not only a legal and ethical responsibility but also a critical component of sustainability. In 2023, we have taken significant steps to strengthen our commitment to equal employment opportunities by incorporating it into our recruitment policy.

Our recruitment policy explicitly states that all applicants, regardless of their background or personal characteristics, are considered on an equal opportunity basis. We are committed to creating a workplace free from discrimination and will not discriminate against applicants based on factors such as family status, gender, mental or physical disability, national origin, race, religion, or any other protected characteristic as defined by applicable laws and regulations.

By embedding equal employment opportunities into our recruitment policy, we aim to attract a diverse pool of talented individuals and ensure that our hiring processes are fair, transparent, and unbiased. We strive to provide equal access to employment opportunities, including recruitment, selection, training, development, promotion, and compensation, based solely on qualifications, skills, and merit.

## INCLUSIVE FACILITIES AT WORKPLACE

While our Admin team was managing the Suggestion Box in 2024, we have received anonymous suggestion on providing free menstruation pads for female colleagues at unexpected times. After carefully considered and sourcing, our Hong Kong office is now equipped. This measure received positive feedbacks from colleagues. As a small installation, is supporting our female colleagues through unexpected messy times with plastic-free organic cotton pads, while also supporting women-led, Certified B Corp, LUÜNA.

At the same time, to prepare for a warm welcome to our newborn mothers back to work, we have established a private Lactation room for breastfeeding, as well as a designated area as temporary storage of breastmilk. All these area is kept in clean condition with regularly sanitation and ensure privacy.

By offering essential items like menstrual products and accommodating the needs of nursing mothers, it contributes to a workplace culture where all employees feel respected, valued, and their special needs will be heard and responded by our management.





# 7.4 DIVERSITY, EQUITY AND INCLUSION IN THE WORKPLACE



## WOMEN LEADERSHIP IN PROCUREMENT

At Concept 4, we are committed to empowering women leaders within our procurement team, aligning with the UN Women's Empowerment Principles. Our Senior Director of Operations, Carman Siu, exemplifies this commitment by participating in the BRAVO APAC 2024 Women in Procurement and Supply Chain Leadership Program. This initiative fosters leadership skills among women in the industry, providing them with valuable insights and networking opportunities.

Carman has gained significant knowledge and experience from the program, which focuses on enhancing leadership capabilities, strategic thinking, and collaboration within procurement and supply chain management.

Hear What Carman Has to Say:

Carman shared her feedback on the program:

"The BRAVO Leadership Program offered a unique blend of practical skills and strategic insights. I learned the importance of inclusive leadership and how empowering my team can lead to better decision-making and innovation."

"Participating in this program has reinforced my belief in the value of diverse perspectives. It has equipped me with the tools to foster a more collaborative environment, which is essential in procurement management."

"By championing women in leadership roles and integrating what I've learned, we can enhance our procurement strategies and create a more inclusive culture. This not only benefits our team but also strengthens our overall business performance."

Carman's involvement in the BRAVO Leadership Program not only enriches her professional development but also reflects Concept 4's commitment to promoting gender equality and empowering women in leadership roles within our organisation. Together, we are paving the way for a more inclusive future in procurement and supply chain management.



## 7.4 DIVERSITY, EQUITY AND INCLUSION IN THE WORKPLACE

### ***BECOME CREATIVE WONDER WOMEN***

Our first partnership with Methodist Epworth Village Community Centre Social Welfare (MEVCC)'s special and powerful team of ethnic minority ladies, Wonder Women, is on organising a Creative Embroidery workshop at our Hong Kong office.

They are a team established in 2021, aimed at bringing ethnic minority ladies together in the local district to explore opportunities beyond being housewives and looking after their children. MEVCC also provides creativity skills training and support to them for balancing caregiving responsibilities.

It was a fantastic opportunity to get the creativity vibe flowing in while supporting Wonder Women's inspiring mission to promote women's employment and reduce community inequality. We have as well donated applicable fabrics for the team to use in their regular products to lower their cost in operation.

We are delighted in supporting and providing more resources for the Team of ladies to grow their creativity, confidence and abilities in the near future.



“



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# 7.4 DIVERSITY, EQUITY AND INCLUSIVE IN THE WORKPLACE



## CELEBRATION OF INTERNATIONAL WOMEN'S DAY

Having majority of female employees in our workplace, International Women's Day allows us to recognize and appreciate the accomplishments of women at different social roles, at workplace, in their family and the society. This day emphasizes the ongoing journey toward gender equality and the empowerment of women in all areas of life. This year, we have arranged everyone each a fresh, pink rose, as a small gesture of appreciation.



## CELEBRATION OF MEN'S DAY

We have also taken the chance to celebrate the “minority” gender at our office on 19<sup>th</sup> November, the Men's Day. By “hunting down” our male colleagues and complimenting them with affirmative words, the purpose of the event is to recognize men's work, social role and responsibilities, equally as what we have arranged for female colleagues!





## 7.5 ENGAGING OUR PEOPLE

In 2024, we introduced new arrangements to enhance employee engagement within our organisation. Each team and department was assigned to orchestrate the themed event days aimed at fostering collaboration among our global colleagues. In total, 21 internal events were organised in 2024 with tremendous support and enthusiasm across all offices.

These events, centred around critical themes such as health, environmental sustainability, human rights, diversity, and business ethics, were thoughtfully selected to heighten awareness regarding important issues that are related to environmental, social, and governance (ESG), our business nature and common concerns among colleagues. Furthermore, our initiative includes themed days designed to promote wellness. Blending elements of leisure with professionalism, we are cultivating a workplace culture that prioritizes both personal well-being and professional growth.

By engaging in these discussions and activities, employees gain a deeper appreciation for the interconnectedness of these topics with our business operations, driving a more holistic approach to decision-making at their positions. We will continue this practices to tighten up cross-department, cross-regional, close collaborations among colleagues, to build a sense of unity and shared purpose.





# 7.5 ENGAGING OUR PEOPLE



## INTERNATIONAL PLASTIC BAG-FREE DAY

To build a living habits of reducing single-use plastics, we have arranged lunch gatherings within our offices, where we prioritize the use of reusable containers and tableware. By refraining from ordering take-away meals and minimizing the use of plastic bags, we actively encourage the utilization of reusable tote bags and containers as part of our sustainability efforts.



## STOP FOOD WASTE DAY

On Stop Food Waste Day, we aim to shed light on the significant issue of food wastage in urban cities and advocate for concrete steps to mitigate it. collaborating with the China Food Banking organisation (绿洲盛食社) in our Mainland offices, we facilitated the distribution of donated food to individuals facing food insecurity.

Meanwhile in Hong Kong, colleagues volunteered in collecting surplus bread from various location for Breadline to repurpose into edible food for the homeless population, emphasizing our commitment to reducing food waste and supporting those in need.





# 7.5 ENGAGING OUR PEOPLE



## STAFF HEALTH AND WELLNESS PROGRAM

Regular physical activity can reduce the risk of depression by up to 30%, relieving anxiety, boost energy levels and even enhancing intelligence and focus on work. Hence, our Admin team has arranged an internal “competition”, Staff Health and Wellness Program, to motivate every colleagues to work the body out.

Running from May 1 to August 31, 2024, the program features two categories: Health and Wellness Transformation on weight loss and Exercise Tracker focused on consistency, both aimed encouraging colleagues to adopt healthier habits.

A total of 54 colleagues from Hong Kong and China have donated to participate, which all funds are donated to diabetes related charities, Youth Diabetes Action in Hong Kong (兒童糖尿協會) and Shanghai Charity Foundation (上海慈善基金會)



Name of donor 捐助者姓名	Concept 4 Limited
Address 地址	11/F, 41 Heung Yip Road Wong Chuk Hang Hong Kong

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捐助港幣\$100 以上之善款可獲免稅，請保留此收據作申請。  
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此為電腦編印的收據，毋須簽署。

Thank you for your generous donation! With your support, we can help children with diabetes and their families.  
謝謝你的慷慨捐助！有你的支持，本會定能繼續提供更多幫助。

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### 捐赠证书

Concept4 :  
感谢您（你们）对上海慈善事业的关心和支持。  
您（你们）捐赠的人民币壹仟零贰拾元整（壹仟零贰拾元整），我们将遵照您（你们）的意愿，全部用于慈善事业的发展。  
对于您（你们）崇高的人道主义精神谨表示诚挚的敬意。

上海市慈善基金会  
2024 年 09 月 30 日

## WORLD MENTAL HEALTH DAY

Our incredible teams across all offices have come together to celebrate World Mental Health Day on October 10th with a fun and engaging outdoor event! Our goal was to break free from typical office stress, foster team spirit, and creatively learn about mental health and discrimination.

Our teams participated in a mini scavenger hunt outdoors, splitting into groups to explore areas near our office while searching for trivia answers related to mental health facts. This shared experience not only strengthened collaboration among team members from diverse backgrounds and across offices, but also provided a refreshing break for our colleagues who usually spend most of their time indoors.

This event showcased that prioritizing our colleagues' mental well-being and supporting one another in the workplace is essential, recognizing that mental health is just as important as physical health.





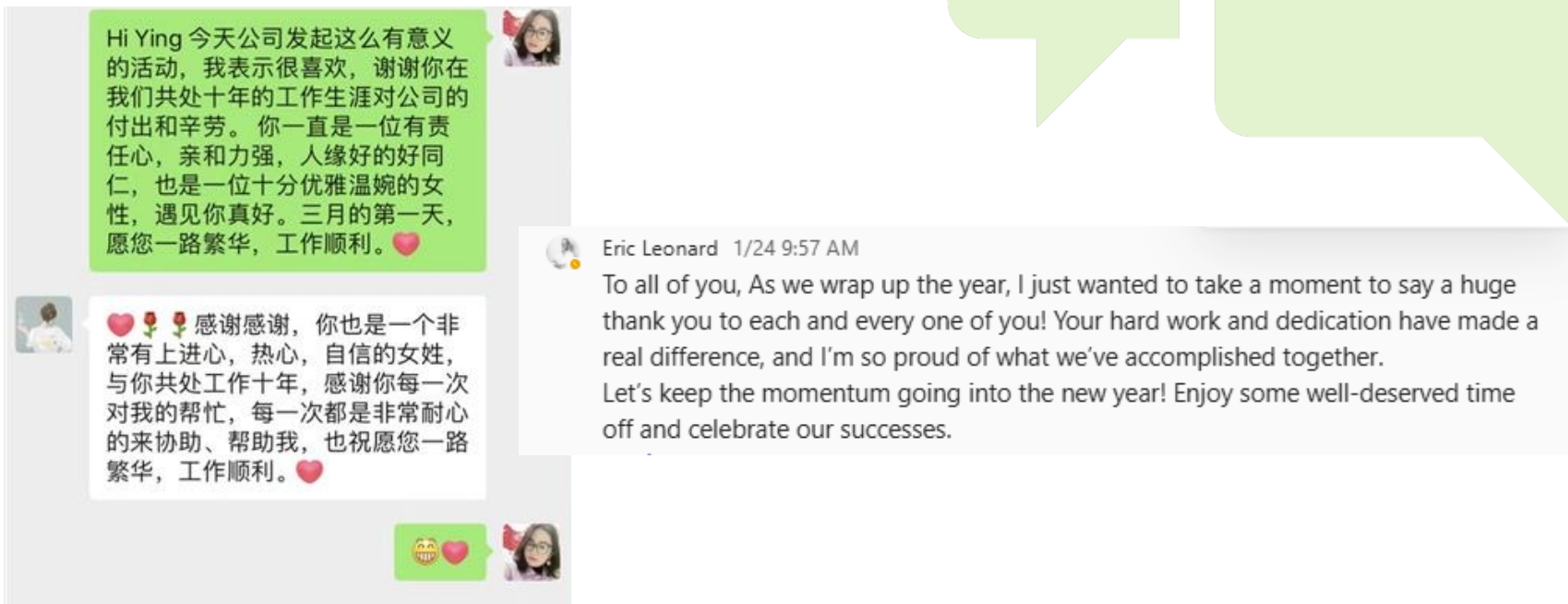
# 7.5 ENGAGING OUR PEOPLE



## COMPLIMENT DAY

Compliments have a remarkable ability to elevate morale, boost self-esteem, and foster a sense of unity among colleagues. We have hosted a “Compliment Day” to encourage colleagues to speak up and compliment each other through internal channels.

This initiative not only contributes to individual mental wellness by fostering a positive and encouraging atmosphere but also strengthens relationships and ultimately builds a more cohesive and harmonious work environment.



### Welfare

Kennis Wong (ADM) Belle CheungVickey Gu (ADM) Pascal VieilvoyeEric LeonardElla you, thank you for the various welfare benefits provided, including training opportunities, flexible working hours, a work-from-home policy, and especially the provision of a coffee machine. This has greatly enhanced my productivity and energy levels for work 🙌



## MASSAGE DAY

We deeply care about the well-being of our staff. As a demonstration of our commitment, we organized a special event where we invited professional massage therapists to the company. During office hours, our employees were given the opportunity to receive relaxing massages, allowing them to take a break and rejuvenate both their minds and bodies.

We aim to show our staff that their well-being is a top priority, and we remain dedicated to creating a supportive and nurturing work environment that values and supports their overall health and happiness.





# 7.5 ENGAGING OUR PEOPLE

## BREAST CANCER AWARENESS MONTH

Breast cancer is the most prevalent cancer among women and ranks as the third leading cause of cancer-related deaths in the female population. With over 80% of Concept 4 employees being female, breast cancer awareness holds significant importance for our organisation and we have arranged 2 events throughout the month.

## DRESS PINK DAY

Our Creative Team has organised and participated in the Wear It Pink 2024 event by donning pink to support the cause. We held a friendly competition for the best-dressed participant in pink and encouraged everyone to donate their choice, fostering solidarity and raising awareness together.

We encourage everyone in the office to perform regular self-examination, professional body check-ups and consult healthcare providers for further advice.

## WALK FOR BREAST HEALTH, TOGETHER WE CAN!

12 female colleagues has decided to walk for the fundraising charity walk organised by Hong Kong Breast Cancer Foundation (HKBCF) at the Peak, Hong Kong on 20<sup>th</sup> October 2024. Our Pink Walkers are dedicated to raising funds and awareness for this important cause. Every step matters to the fight against breast cancer! As participating fee will directly support the programs of the HKBCF, including free diagnostics and treatments to combat breast cancer in our community and spread care and support to those battling the illness.





# 7.5 ENGAGING OUR PEOPLE

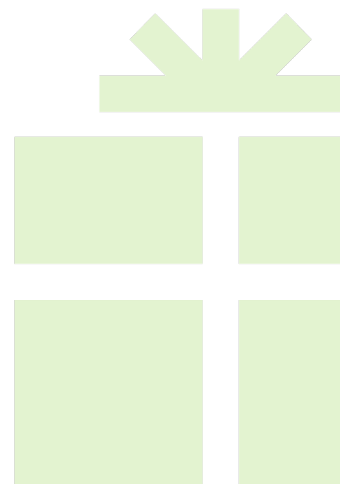
## FESTIVE CELEBRATIONS AND PARTIES

Festive celebrations and parties are regularly held especially for Chinese traditional festivals, such as Lunar New Years, Dragon Boat Festival and Mid-Autumn Festival. But also, the most enjoyable period around the end of the year, Christmas.

Christmas trees, Christmas ornaments will be held up and lunch gatherings will be arranged annually to wrap up the year of hard work. Colleagues are even encouraged to bring their kids to celebrate at workplace, together as a family!

## UGLY SWEATER DAY

In the holiday season of 2024, we have designated a unique event known as Ugly Sweater Day. We invite all employees to exhibit their creativity by embellishing and repurposing our sample products. Some have embraced this opportunity to dress with confidence, leaving a memorable impression on our colleagues.





# 7.5 ENGAGING OUR PEOPLE

## 20<sup>TH</sup> ANNIVERSARY COMPANY TRIP

To celebrate Concept 4's 20th anniversary, we organized a special retreat in Xiamen, China, where our global team gathered for a memorable event. This trip marks two decades of achievements and honours the hardworking team members who have played a key role in shaping our journey together.

The retreat showed us how building teamwork among our diverse staff helps us trust, work and inspire to be creative. These are values that have guided us through twenty years of success.

## LONG TERM SERVICE AWARDS

A standout moment during the retreat was the Long-Term Service Awards Ceremony, where we honoured employees who have been with us for 5 to 15 years. This recognition across the company, celebrates their unwavering dedication and contributions to the company's growth.





# 8. CLIENT ENGAGEMENT

Client engagement stands as the cornerstone of our sustainable initiatives across the entire supply chain. In addition to routine updates on product development and order progress, we uphold ongoing two-way communication with our clients. This includes conducting surveys, hosting feedback sessions, and delivering presentations. These interactions serve a dual purpose: to grasp their sustainability priorities and to actively involve them in our collective sustainability journey.

In a collective approach, we are here to listen and respond to our clients' present and future needs, advancing our shared journey towards a more conscience and responsible supply chain future.

## CLIENT SATISFACTORY SURVEY

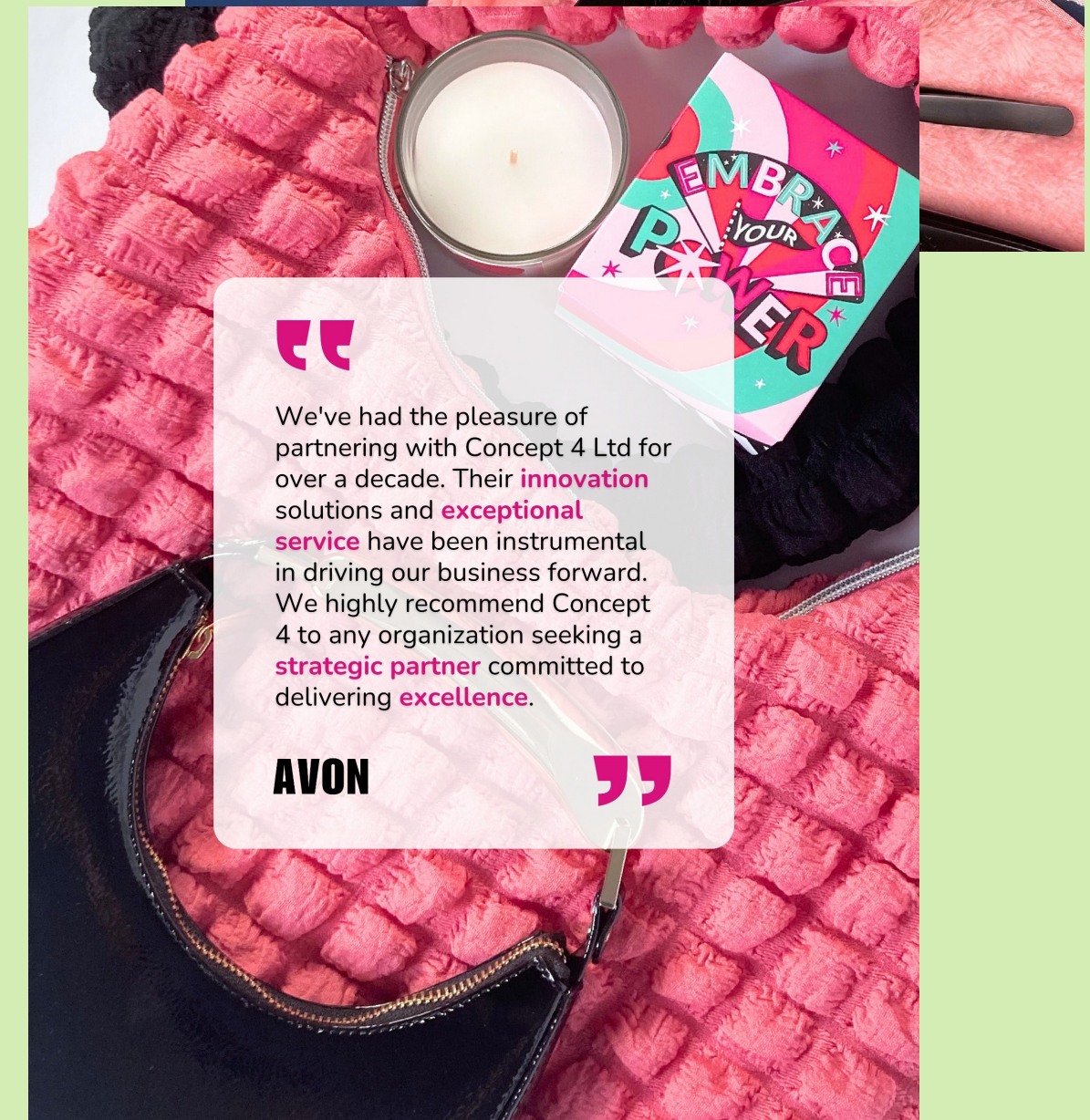
To reflect on our work in 2024 with clients, we have introduced a new Client Satisfaction Survey coupled with a Materiality Assessment.. This initiative aims to gather comprehensive feedback from our clients regarding their perspectives on how C4's business practices intersect with various sustainability priorities.

By seeking their views through these structured assessments, we endeavour to deepen our understanding of their sustainability concerns and aspirations, further strengthening our partnership in driving impactful and sustainable business decisions. We will require extra effort in the future in engaging upstream towards our clients.

## PROGRESS COMMUNICATION

We learn and align with our client's sustainability strategy and focuses. At their request, we have been presenting our sustainability accomplishments, outlining the steps we have taken to minimize our environmental footprint and address supply chain and social responsibility. Moreover, we have initiated discussions with clients to delve into the intricacies of carbon accounting, ensuring alignment in our methodologies and calculations.

Engaging in these collaborative efforts and transparent discussions, we aim to foster a shared understanding of sustainability metrics and reinforce our commitment to sustainable business practices.





# 8. CLIENT ENGAGEMENT

## DEBUT AT TRADE FAIRS

In 2024, Concept 4 made its debut at trade fairs, commencing in France, Monaco, and back to our home, Hong Kong. Showcasing our range of creative products innovations and all-in-one services not only amplifies our exposure and visibility to potential clients but also serves as a catalyst for fostering collaborations with existing partners. This strategic participation opens up new avenues for business opportunities, facilitating growth and innovation within the company.

## MAKEUP IN PARIS

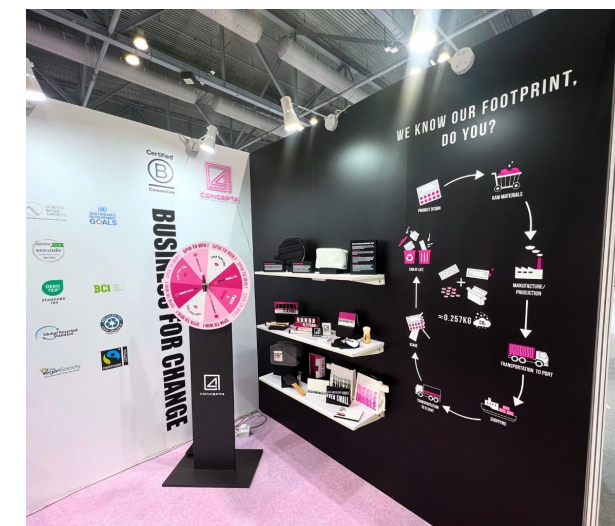
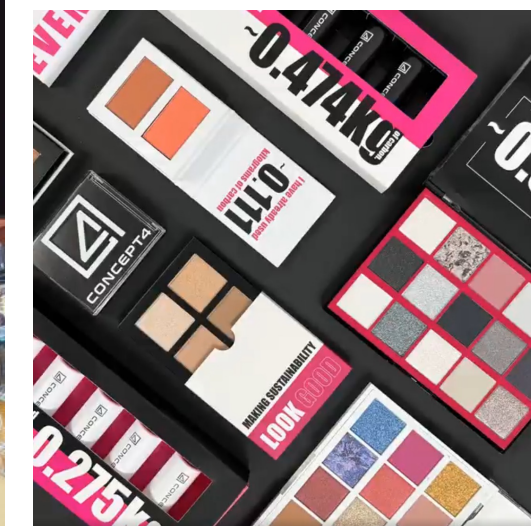
MakeUp in Paris is a prestigious trade fair for the cosmetics and beauty industry, held annually in Paris. It brings and inspires the brands and suppliers to co-create and innovate future solutions to shape the cosmetics market of tomorrow.

## LUXEPACK IN MONACO

Luxe Pack Monaco is a leading trade held annually in Monaco to showcase their latest innovations, technologies, and trends in the field of luxury packaging. Includes wide range of materials, innovative finishings, and sustainable solutions

## COSMOPACK IN ASIA

COSMOPROF and COSMOPACK in Asia is a B2B event for global cosmetic industry professionals interested in the exciting opportunities in the Asia-Pacific region. From raw materials, packaging, printing to finished goods across all main cosmetic sectors, can be found all at once.



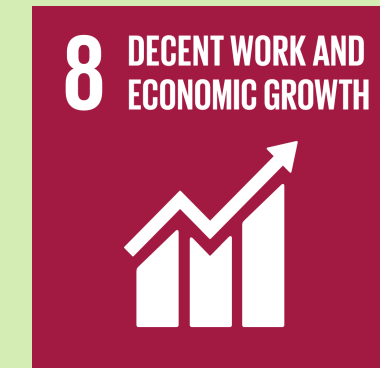


# 9. SUSTAINABLE PROCUREMENT

As a newly certified B Corporation, Concept 4 is proud to strengthen our commitment to using business as a force for good. Sustainable procurement plays a key role in this mission—ensuring that the way we source goods and services reflects our values and supports a more equitable, responsible, and resilient future.

We take a holistic approach to procurement, integrating environmental, social, and economic factors into every decision. From choosing low-impact materials to partnering with ethical suppliers, we aim to reduce harm, promote fair practices, and create shared value across our supply chain.

Sustainable procurement is not only a strategic priority—it is a reflection of our purpose to positively impact both people and the planet, aligning with the high standards of our B Corp status and supporting our long-term sustainability goals.



# 9.1 SUPPLIER ENGAGEMENT AND ASSESSMENT

At Concept 4, we recognize the pivotal role that our suppliers play in advancing our sustainable procurement practices. We place great importance on engaging with our suppliers, particularly suppliers, as they are essential in comprehending, monitoring, and enhancing the environmental product footprints within our supply chain.

We aim to ensure that our sourcing practices and supplier's production practices align with our sustainability goals and minimize environmental footprint while ensuring their full compliance to local regulations. Through our ongoing evaluation and collaboration with suppliers, we strive to drive continuous improvement and foster a sustainable supply chain ecosystem.

## ***SUPPLIER CODE OF CONDUCT***

We are dedicated to ethical, responsible, and sustainable business practices. To uphold these principles, all suppliers must sign our Supplier Code of Conduct (C4-VC-003E V004), which clearly outlines our expectations regarding social, environmental, and ethical standards across the supply chain. This includes provisions on human rights, labour rights, anti-corruption, environmental responsibility, and business integrity.

In 2024, we updated our supplier agreements to encompass all relevant commitments, mandating that all active suppliers sign the Supplier Code of Conduct. We are proud to share that 100% of our suppliers complied in 2024, demonstrating their commitment to sustainable practices and our shared goal of fostering an ethical supply chain.

## ***INITIAL SUPPLIER REVIEW***

Before partnering with any supplier, we conduct a thorough desktop review of their factory profile and perform due diligence checks. This critical step ensures that no business unit can engage with a supplier without prior approval. The review collects essential information regarding the supplier's factory, including its location, capacity, and certifications.

We also assess their commitment to corporate social responsibility (CSR), quality management systems (QMS), and environmental management systems (EMS). This thorough evaluation allows us to make informed supplier choices based on their dedication to ethical and responsible business practices, quality, and environmental stewardship. These factors are crucial for aligning with our sustainability goals and minimizing risks associated with compliance and poor practices.



# 9.1 SUPPLIER ENGAGEMENT AND ASSESSMENT

## ***INTRODUCTION OF AUDIT EQUIVALENCY PROGRAM***

In 2024, Concept 4 implemented an Audit Equivalency Program to enhance our approach to auditing factory practices concerning Corporate Social Responsibility (CSR), Quality Management Systems (QMS), and Environmental Management Systems (EMS). While we have diligently conducted annual audits in previous years to assess these critical areas, robust third-party audits such as SMETA and BSCI audits focusing on social responsibility, alongside ISO certifications like ISO 9001 for QMS and ISO 14001 for EMS, prompted us to evolve our auditing methodology.

With the Audit Equivalency Program, our focus has shifted towards optimizing resources and streamlining auditing processes. If a factory possesses a valid audit report or relevant certifications from recognized bodies, we no longer duplicate audits. Instead, we concentrate on analysing these existing reports, identifying any gaps or areas for improvement, and collaboratively developing targeted corrective action plans with the factories.

In 2024, 65% of our suppliers have met the qualifications for this Program, reducing the number of audits we traditionally conducted. While our auditors continue to be on-site at the factories, their focus has shifted towards implementing improvement plans rather than solely conducting audits. This approach is proving to be more meaningful as it emphasizes progress and development over a strictly regulatory or policing role in the auditing process.

This strategic shift not only optimizes resource allocation but also underscores our commitment to driving continuous improvement and sustainable practices throughout our supply chain.

## ***SUPPLIER SATISFACTORY SURVEY***

Supplier Satisfaction Survey has been a longed communication practice with our strategic suppliers to collect and analyse our overall work with them throughout the year. This year, we have also added the Materiality Assessment part for gaining insights on how our suppliers perceive our business's advantages and disadvantages, and how our business correlates with different sustainability issues.

After discussions with various suppliers, both the colleagues working for and our own colleagues working closely with the suppliers have found the results honest, reflective and beneficial to both parties' future collaboration work. Any issues raised, will be immediately followed up with clear conversation to come up with problem solving solutions and to resolve misunderstandings.

This approach facilitates open dialogue and fosters a culture of partnership that is essential for driving sustainability initiatives forward. The insights gained from our suppliers are valuable in shaping our sustainability strategies and ensuring that our business practices are aligned with sustainability goals.

We extend our appreciation to all our strategic suppliers for their unwavering commitment and dedication in participating in these surveys. The collaboration plays a pivotal role in advancing our shared sustainability objectives and driving positive change within our supply chain ecosystem..



# 9.1 SUPPLIER ENGAGEMENT AND ASSESSMENT

## ***ENGAGING SUPPLIERS TO JOIN SEDEX PLATFORM***

In 2024, we renewed our SEDEX AB membership and continue our effort on engaging our supplier to onboard the platform.

The platform provides us with valuable insights into our supply chain by offering access to supplier data on social and environmental performance. This transparency improves risk management and empowers us to make informed decisions that align with our sustainability goals. In 2024, the platform will also include ESAQ, which assesses the environmental aspects of factories in the self-assessment questionnaire, further enhancing transparency. Additionally, it fosters collaboration, enabling active engagement with suppliers to drive sustainability improvements collectively and promote industry-wide best practices and standards.

As of end 2024, our linked active suppliers increased from 40% in 2023 to 62% in 2024 in the SEDEX platform. Our target is to link at least 80% of our suppliers to the platform by 2025.



## ***ENGAGEMENT WITH SUPPLIERS TO ECOVADIS ASSESSMENT***

Our continuous effort in upgrading our sustainable strategy and policies through participation in the EcoVadis assessment has deepened our understanding of how crucial it is for companies to plan, implement, and measure their sustainability initiatives. Having achieved the platinum medal this year, we are proud to extend this journey to our suppliers, who are core stakeholders in our supply chain.

Despite EcoVadis not being widely adopted within the accessory products industry, particularly among Chinese suppliers, we remain committed to advocating for its value. In 2024, we focused on engaging our strategic suppliers to participate in this assessment process. We are pleased to report that several suppliers have responded positively and begun their assessment journey.

This initial participation represents a significant milestone, regardless of the medal outcomes. We believe the true value lies not in the accolades but in suppliers' willingness to embark on this sustainability journey, evaluate their practices, and commit to continuous improvement. These first steps toward systematic sustainability assessment mark the beginning of a more transparent and environmentally conscious supply chain for our industry.





# 9.1 SUPPLIER ENGAGEMENT AND ASSESSMENT

## SUPPLIER AWARENESS TRAINING ON SUSTAINABILITY TOPICS

We continue to encourage our suppliers to participate in external seminars and training sessions related to sustainability. This initiative reflects our commitment to building a responsible supply chain by promoting continuous learning and helping suppliers stay informed on industry standards, regulatory changes, and best practices.

In 2024, we recommended our suppliers attend the SEDEX seminar on “Definition and Management of Green Certificate and Green Power Policies, Trading, and Risk Assessment.” This session provided valuable insights into green energy policies in Mainland China, trading strategies, and risk management—key areas in today’s rapidly evolving sustainability landscape. Understanding these topics helps suppliers comply with global energy standards and strengthen their environmental performance.

We also invited suppliers to join the EcoVadis seminar, focusing on Platform Walkthrough – Scorecard, Carbon, Metrics, etc. and Understanding the EcoVadis Assessment. These sessions aimed to help suppliers better understand the EcoVadis platform and the benefits of participating in the assessment. By doing so, suppliers gain access to improvement opportunities, increased transparency, and greater credibility with sustainability-focused partners.

By supporting supplier participation in such programs, we aim to enhance their capabilities, promote alignment with our sustainability goals, and drive collective progress across our supply chain.

## TRAINING and GUIDANCE FOR SUPPLIERS TO DRIVE SUSTAINABILITY



At Concept 4, we recognize that sustainability in our supply chain requires teamwork and shared responsibility. To support this, we’ve developed a training program to equip our suppliers with the knowledge and tools to address key environmental and social issues.

In 2023, we launched a program covering various sustainability topics like climate change, energy use, and diversity. This initiative helps suppliers raise awareness and take meaningful action.

To ensure easy access to resources, we created a dedicated section on our website with training materials and best practices tailored for suppliers at different stages of their sustainability journey.

In 2024, we added a focus on **Modern Slavery**, reflecting our commitment to social responsibility. Our updated materials help suppliers identify and address modern slavery risks.

By providing these resources, we aim to help suppliers adopt sustainable and ethical practices. We believe that informed partners are key to achieving our sustainability goals and will continue to enhance our training based on new challenges and feedback.

- Climate Change
- Energy & Emissions
- Water Management
- Waste Management
- Chemical Usage
- Biodiversity
- Diversity & Inclusion
- Modern Slavery**



[Supplier Portal – Mekong Club \(themekongclub.org\)](#)

Mekong Club’s Supplier Web Portal to empower and equip you with the essential tools, resources, and knowledge to effectively address modern slavery concerns and implement human rights due diligence (HRDD).

Delivery	Type	Length	Duration	Free
Online	–	–	–	Free

[How Modern Slavery Impacts Supply Chains \(youtube.com\)](#)

An introductory video about each of the issues under modern slavery, as well as what and why suppliers should react.

Delivery	Type	Length	Duration	Free
Online	Webinar	–	–	Free

[Forced-Labour-Indicators.pdf \(themekongclub.org\)](#)

[Forced-Labour-Indicators-Mandarin.pdf \(themekongclub.org\)](#)

Eleven key indicators identified by the International Labour Organization (ILO) on how to identify and prevent forced labor risks in factory’s operation and supply chains. Case studies and correct practices are given.

# 9.2 SUPPLIER PERFORMANCE MONITORING AND IMPROVEMENT

## PERFORMANCE METRICS AND KEY PERFORMANCE INDICATORS (KPIs)

Reviewing supplier performance according to established KPIs is fundamental to setting meaningful targets and driving continuous improvement for both our organisation and our partners. In 2024, we continued our structured performance review meetings with key suppliers, following our comprehensive **AQSCIE** framework:

- Assurance of supply
- Quality
- Service
- Cost
- Innovation
- Environmental

This multidimensional framework enables us to conduct thorough assessments that balance sustainability priorities with other critical business factors. The environmental component has taken on increasing significance in our evaluations, reflecting our commitment to building a more sustainable supply chain.

During these review sessions, we collaborated with suppliers to establish ambitious sustainability goals tailored to their operations. These included specific targets for:

- Sourcing certified sustainable materials and increasing their percentage in production
- Implementing green production solutions to reduce carbon footprints, such as installing solar panels and transitioning to renewable energy sources
- Developing water conservation strategies and implementing closed-loop water systems
- Minimizing solid waste generation through improved manufacturing processes and enhanced recycling programs
- Exploring innovative packaging alternatives to reduce environmental impact



By integrating these sustainability objectives into our regular supplier performance reviews, we ensure environmental considerations remain central to our business relationships rather than being treated as separate initiatives. This approach has fostered greater accountability and accelerated progress toward our shared sustainability vision.

The collaborative nature of these meetings has proven particularly effective, as they provide a platform for two-way dialogue where suppliers can share challenges, propose innovative solutions, and align their sustainability roadmaps with our expectations. This partnership approach has yielded measurable improvements across our supply chain while strengthening our relationships with key suppliers.



## 9.2 SUPPLIER PERFORMANCE MONITORING AND IMPROVEMENT

### ***CONTINUOUS IMPROVEMENT AND CAPACITY BUILDING***

Building sustainable capabilities across our partner network stands at the core of our supply chain strategy. We recognize that meaningful environmental progress requires not just setting standards but actively collaborating with suppliers to develop their sustainability competencies.

We focus on addressing the gaps identified during our last audit by implementing a structured approach to corrective action follow-up with our suppliers. This process allows us to concentrate on specific areas for improvement and ensures that suppliers receive detailed corrective action plans. These plans outline the necessary steps to resolve identified issues and enhance their sustainability performance.

This collaborative methodology creates mutual value—suppliers strengthen their environmental credentials and operational efficiency, while we benefit from a more resilient and responsible supply chain. The resulting partnership ecosystem encourages innovation and shared learning that extends beyond individual company boundaries.

By nurturing these collaborative relationships, we create a multiplier effect where sustainability practices cascade throughout the supply network. This approach not only accelerates progress toward our environmental objectives but also strengthens business relationships and drives industry transformation toward more responsible practices.

### ***SUPPORT FOR SUSTAINABLE MANUFACTURING INITIATIVES***

In 2024, Concept 4 collaborated with several key manufacturers to explore green manufacturing opportunities. Our initiatives focused on:

- **Energy Consumption Tracking:** We assessed energy usage and identified opportunities for integrating green energy solutions and obtaining green certificates.
- **Water Consumption Monitoring:** We tracked water usage and sought opportunities for rainwater harvesting to enhance sustainability.
- **Wastewater Management:** We evaluated wastewater outputs and explored methods to reduce overall waste.
- **Solid Waste Tracking:** This included monitoring various types of solid waste, such as paper, plastics, fabric, and electronics, while identifying recycling opportunities.

Looking ahead, we aim to expand our collaboration to include more manufacturers in the coming years. This initiative not only promotes environmental responsibility but also enhances operational efficiency and reduces costs. By fostering sustainable practices within our supply chain, we contribute to a healthier planet and a more resilient business ecosystem.



# 9.3 SUSTAINABLE PRODUCTS

At Concept 4, our business is deeply rooted in product development—from the earliest ideation stages through to production and delivery. This unique position gives us the opportunity, and the responsibility, to influence the sustainability of products from the very beginning. We are not just executors of design and production; we are active collaborators and advisors in shaping the choices that determine a product’s environmental footprint. This includes everything from material selection and manufacturing processes, to packaging, logistics, and end-of-life considerations.

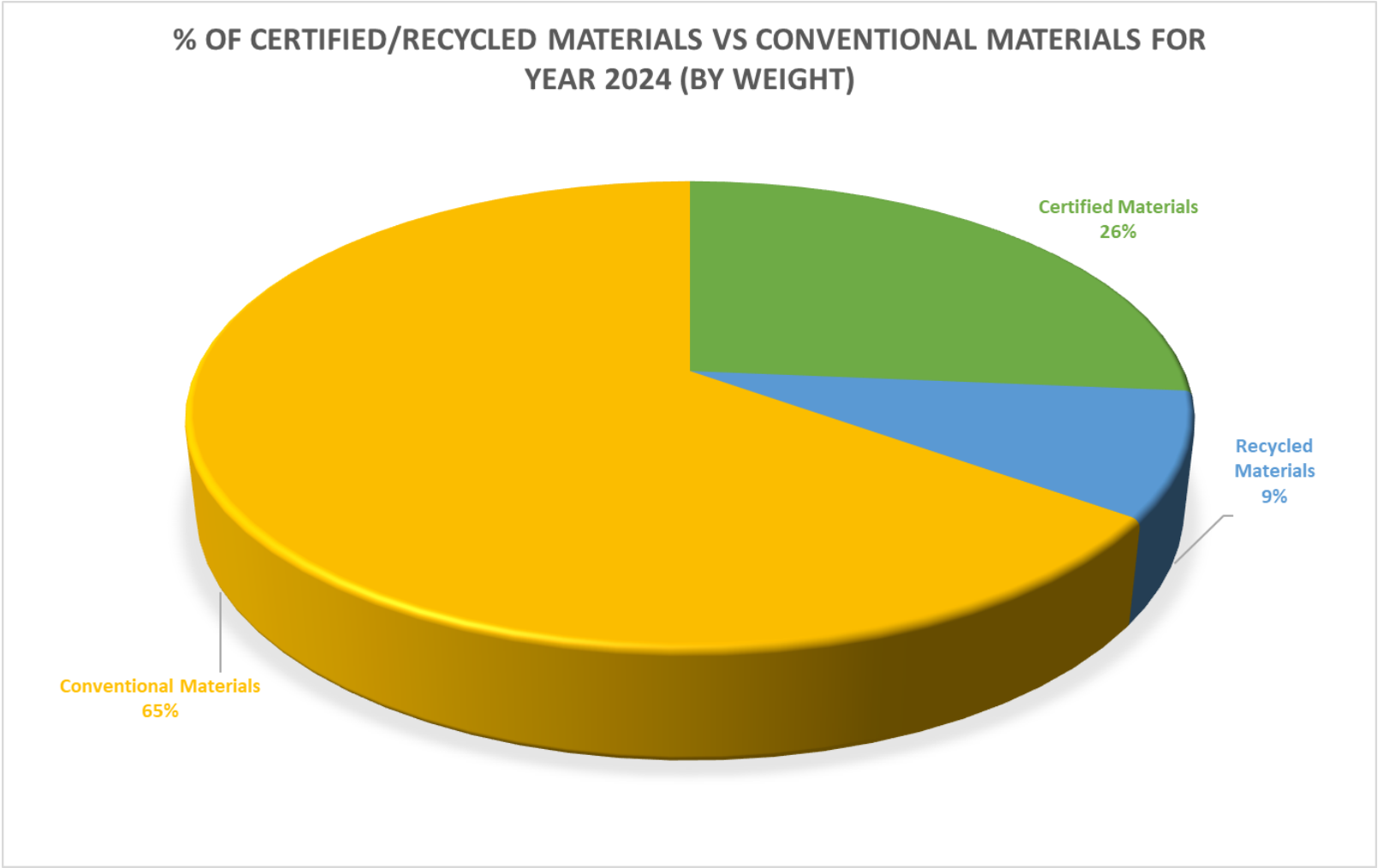
## SUSTAINABLE PROCUREMENT UPDATE

Sustainable procurement is fundamental to our broader sustainability strategy and reflects our commitment to reducing environmental impact across our value chain.

Understanding the environmental implications of raw material extraction, production, and disposal, we set a clear target for 2024: to ensure that at least 30% of the materials used in our product assortment would be certified (e.g., FSC®, GRS, or other third-party standards) or made from recycled content. We are proud to report that we have surpassed this target, achieving 35% of our total assortment made from certified or recycled materials—a meaningful step forward in our journey toward more sustainable sourcing. (See Chart 8.3)

This achievement is the result of strengthened collaboration with our suppliers, stricter materials selection criteria, and a growing portfolio of sustainable product alternatives. It also reflects the increasing demand from our customers and stakeholders for transparency and accountability in what we offer.

A key enabler of this progress has been the enhancement of our digital tracking platform. Previously, procurement data was assessed primarily through purchase cost—a method that offered limited insight into the actual environmental footprint of materials. In 2024, we implemented a system upgrade that now allows us to track materials by their physical weight rather than cost. This shift provides a more accurate and tangible understanding of our material consumption and its environmental impact, enabling us to make more informed decisions and set smarter, metrics-driven goals.





# 9.3 SUSTAINABLE PRODUCTS

## PRODUCT CERTIFICATIONS AND STANDARDS

To uphold responsible material sourcing and fortify our supply chain integrity, we focus on securing reputable third-party sustainability certifications for an expanding array of materials. These certifications act as vital standards, affirming that our product materials adhere to stringent environmental, ethical, and social criteria.

Through collaboration with certified suppliers and embedding certification mandates in our procurement protocols, we establish a transparent sourcing framework that promotes biodiversity, waste reduction, and fair labour standards. This initiative aligns with rising stakeholder anticipations and the surging preference among mindful consumers for products boasting authenticated sustainability credentials.

### Forest Stewardship Council™ (FSC™)

We recognize the importance of preserving forests and mitigating deforestation. Therefore, we source our paper and wood products from FSC-certified suppliers, ensuring that they come from well-managed forests that provide environmental, social, and economic benefits.

### OEKO-TEX Standard 100

We prioritize the use of textiles and recycled textiles that meet the OEKO-TEX Standard 100 certification. This certification guarantees that our textiles are free from harmful substances and comply with strict ecological and social criteria, promoting a safe and sustainable textile industry.



### Global Recycled Standard (GRS)

To promote the circular economy and reduce our reliance on virgin resources, we prioritize raw materials certified by GRS. This certification verifies the recycled content of materials and ensures responsible practices in their production.



### Recycled Claim Standard (RCS)

In our effort to promote the use of recycled materials and minimize the environmental impact of metal sourcing we have obtained RCS certification. This standard guarantees the traceability and integrity of recycled metals used in our products.



### Global Organic Textiles Standard (GOTS)

As part of our commitment to sustainable agriculture and reducing the environmental impact of our products, we source organic cotton certified by GOTS. It ensures that the cotton is grown without the use of harmful chemicals and adheres to environmentally and socially responsible practices throughout the entire supply chain.



### Roundtable on Sustainable Palm Oil (RSPO)

Recognizing the environmental and social challenges associated with palm oil production, we exclusively source RSPO-certified palm oil. This certification guarantees that the palm oil is produced sustainably, with respect for biodiversity, local communities and the rights of the workers.



### Member of Better Cotton Initiative (BCI)

As a member of BCI, we actively support the global movement towards more sustainable cotton production. BCI promotes the use of environmentally friendly farming practices, ensuring water efficiency, reducing the use of harmful chemicals and improving the livelihoods of cotton farmers. This reinforces our commitment to responsible sourcing of raw materials.



### Certified Vegan Products

Certified Vegan Products – we can support our clients to certify their products as vegan-friendly through the Vegan Society. This assures that the products are free from animal-derived ingredients and have not been tested on animals.

# 9.3 SUSTAINABLE PRODUCTS

## ECO-DESIGN INITIATIVE

As part of Concept 4’s long-term commitment to reducing our environmental impact and evolving into a more data-driven organisation, we are proud to introduce our Eco-Design Strategy—a major milestone in embedding sustainability into the core of our business model and product development processes.

Because sustainability is most impactful when addressed early, our Eco-Design Strategy is designed to integrate environmental thinking at the initial stages of product development. By doing so, we ensure that sustainability is not an afterthought, but a strategic driver of innovation. This approach allows us to offer our clients informed, data-backed options that balance design, functionality, cost, and environmental impact—empowering them to make conscious, responsible decisions.

In 2024, we undertook a comprehensive internal alignment process across departments to define this strategy. We came together to share expertise, insights, and a shared vision for what sustainable product development should look like at Concept 4.

This collaboration has allowed us to build a unified framework that reflects both our values and the expectations of our clients and partners.

A key pillar of this approach is our commitment to the circular economy—designing with the intent to reduce waste, extend product lifecycles, and maximize resource efficiency. Through this strategy, we aim to offer our clients clear, data-informed options that empower them to make sustainable decisions at every stage of development.

Through the implementation of our Eco-Design Strategy, we are setting measurable goals for year-on-year improvements in how we define and deliver sustainable developments and orders. This includes tracking and reporting on key environmental metrics, refining our internal processes, and continuously exploring new materials, technologies, and methods that support more sustainable outcomes.

### What are the criterias?



#### Recycled

Use of recycled materials.



#### Resource Conscious

Aiming to reduce the impact on natural resources.



#### Safe to Wear

Tested for harmful chemicals



#### Socially Responsible Practices

Monitoring ethical labour practices in production



#### Recyclable

Designed for recycling at the end of their lifecycle



#### Optimized

Enhanced design for minimal waste and maximum efficiency

We believe that by aligning our creative and technical capabilities with a clear sustainability vision, Concept 4 can drive meaningful change—not only within our organisation, but across our industry. Our Eco-Design Strategy is not just a policy; it is a culture shift that redefines how we think, design, and collaborate.

Looking ahead, we are excited to continue evolving this strategy, engaging our clients and partners in meaningful dialogue, and co-creating solutions that are innovative, responsible, and future-ready.



## 9.3 SUSTAINABLE PRODUCTS

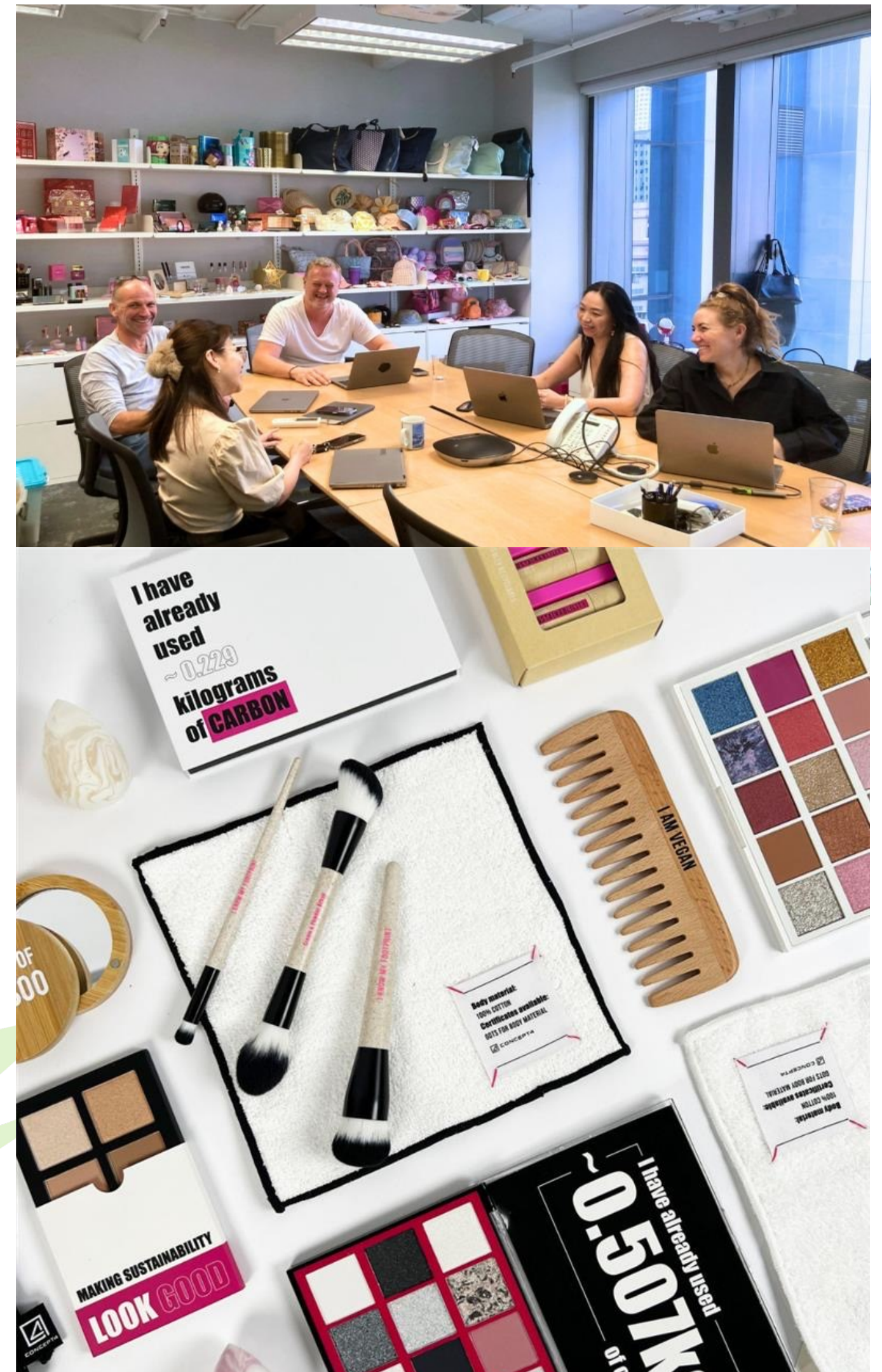
### ***INNOVATION AND SUSTAINABILITY COMMITTEE***

In 2024, we have established an internal Innovation and Sustainability Committee to collaboratively seek innovative sustainable solutions across our organisation. This committee brings together representatives from multiple functions, including senior management, product development, packaging technician, merchandising, sustainability, and quality assurance.

Our primary focus is to explore innovative and sustainable materials and products that align with our commitment to environmental responsibility. By leveraging the diverse expertise within our team, we aim to identify and evaluate new sustainable options that can enhance our offerings.

Additionally, the committee is dedicated to locating and partnering with organisations that share our sustainability values. Through these collaborations, we hope to foster meaningful initiatives that drive positive change and contribute to a more sustainable future.

This collective effort underscores our commitment to integrating sustainability into every aspect of our operations and decision-making processes.





# 9.3 SUSTAINABLE PRODUCTS

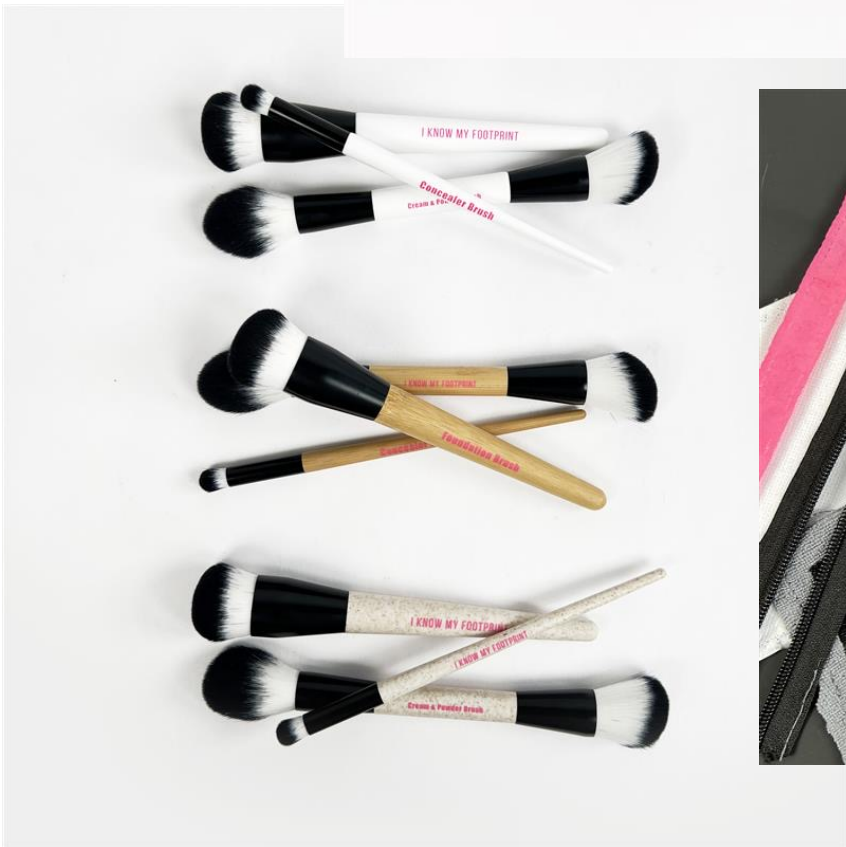
## RECYCLED MATERIALS

In 2024, we significantly increased the utilization of recycled materials in our client products to comply with evolving regulations and shifting consumer preferences. This transition encompassed product components and packaging, reinforcing our dedication to circular and sustainable production practices.

Our repertoire of recycled materials encompassed pre-consumer and post-consumer sources such as recycled cotton, polyester, polyethylene terephthalate (PET), paper, thermoplastic rubber (TPR), and the recent addition of recycled wood. Notable inclusions comprised recycled PET (rPET) and recycled polyethylene (PE) in packaging, contributing to decreased plastic usage and environmental impact.

Guided by regulations like the European Union's Packaging and Packaging Waste Directive (PPWD) and growing client demands, the momentum towards recycled materials is on the rise. This strategic direction aligns with our advocacy for circular materials, collaborations with partners, and the expansion of recycled options, including materials sourced from oceanic origins.

Looking to the future, we will maintain adaptability to regulations, promote material innovation, and champion the adoption of recycled content to propel sustainable product development.





## 9.3 SUSTAINABLE PRODUCTS

### ***INNOVATING SUSTAINABLE PACKAGING WITH VESSL® TECHNOLOGY***

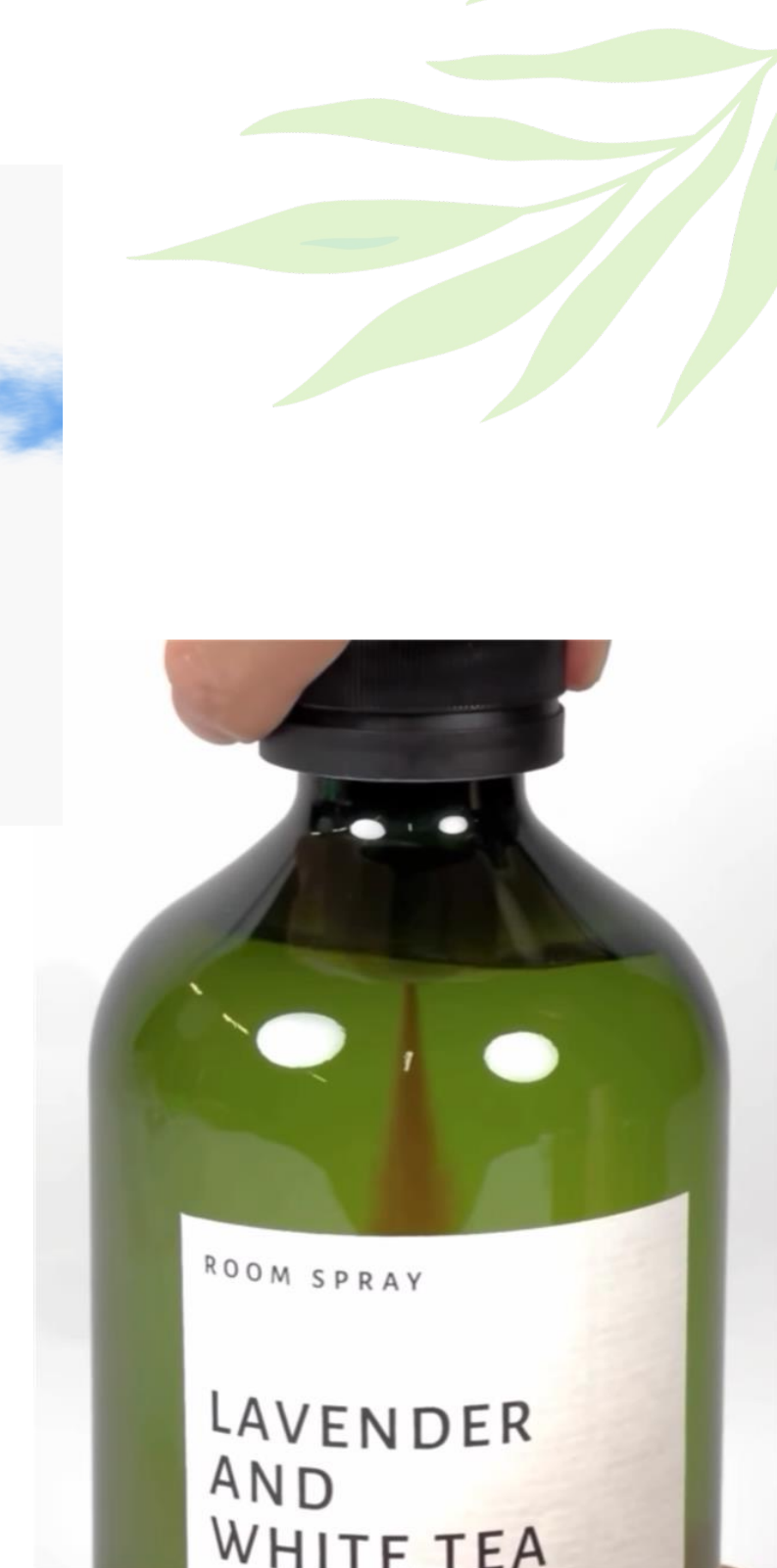
As part of our ongoing commitment to reducing environmental impact and driving innovation in sustainable packaging, we introduced Vessl® technology into our product offerings. This patented, pressurized pod system represents a significant advancement in how formulations are stored, dispensed, and delivered, particularly within the beauty and personal care industry.

Unlike traditional packaging, the Vessl® system eliminates the need for single-use aerosol cans and excess plastic packaging by offering a refillable, reusable container solution. The technology keeps active ingredients fresh and stable reducing the use of added preservatives, extending product shelf life and maintaining formula efficacy. This is especially beneficial for products with sensitive or complex ingredients that are typically more challenging to package and preserve.

From a user perspective, the system is both intuitive and efficient: simply twist to release and blend the formula, attach the spray head, and the product is ready to use. This minimizes waste and simplifies the product experience—aligning environmental responsibility with convenience and performance.

By adopting Vessl® technology, it significantly reducing packaging waste, lowering carbon emissions associated with transportation, and supporting a more circular product lifecycle. Its versatility also allows for application across multiple beauty categories, including skincare, haircare, and home fragrance, making it a scalable solution that supports our broader sustainability goals.

This innovation underscores our commitment to rethinking packaging design—not only to enhance the consumer experience but to contribute meaningfully to a more sustainable beauty industry.



## 9.4 SUSTAINABLE LOGISTICS

As an end-to-end provider, managing the logistics of our products from the country of origin to their destination is a key responsibility. This process contributes to carbon emissions in Scope 3, specifically categories 4 and 9, which cover upstream and downstream transportation. Consequently, seeking eco-friendly delivery options has always been a priority for our logistics department.

In Quarter 4 2024, we began exploring the use of vessels powered by biofuel that use UCOME, a 2nd generation biofuel derived from recycled vegetable cooking oil; or Brown Grease, issued from recycled cooking grease (which can be assimilated to UCOME). By opting for this sustainable shipping method, we anticipate a potential reduction in carbon emissions by up to 84% per shipment. This initiative is currently in the trial phase, during which we successfully loaded a shipment on a biofuel-powered vessel bound for Europe.

We will closely evaluate the effectiveness of this initiative, and if the results are promising, we plan to expand our use of biofuel vessels in our logistics operations moving forward. This experiment demonstrates our dedication to reducing our logistic induced emission and advocating for sustainable solution benefiting both our clients and us.





## 9.5 EMBRACING ELECTRONIC INVOICING

In 2024, we initiated the acceptance of electronic invoices from selected strategic suppliers as part of our commitment to sustainable procurement. This transition is designed to enhance operational efficiency while significantly reducing our reliance on paper. By moving to an electronic invoicing system, we not only streamline our invoicing process but also mitigate the environmental impact associated with paper production, printing, and disposal.

This change involves approximately 90% of our suppliers, accounting for about 80% of our total purchases. The advantages of electronic invoicing are manifold: it accelerates transaction times, reduces the likelihood of errors, and simplifies record-keeping. Furthermore, it supports real-time tracking of invoices, which enhances our cash flow management and overall financial transparency.

By embracing electronic invoicing, we are taking a significant step toward a more sustainable supply chain, demonstrating our commitment to reducing our environmental footprint while fostering more efficient business practices. This initiative not only benefits our organisation but also encourages our suppliers to adopt more sustainable practices, creating a ripple effect throughout our network.



# 10. DIGITALIZATION AND AUTOMATION

At Concept 4, we recognize the transformative power of digitalization and automation in driving sustainability. Embracing these technologies allows us to streamline processes and make more informed decisions that positively impact our environmental footprint. We are actively investing in digital solutions and automation to enhance our sustainability efforts.

Importance of Digitalization and Automation for Sustainability:

## EFFICIENCY AND RESOURCE OPTIMIZATION

Digitalization and automation enable us to optimize resource utilization throughout our operations. By digitizing and automating manual processes, we reduce paper consumption, energy usage, and overall resource requirements within office operations. These efficiencies contribute to a more resources-efficient approach to business.

## DATA-DRIVEN DECISION MAKING

Digitalization enables us to collect and analyse vast amounts of data related to our operations, supply chain, and environmental impact. By leveraging this data, we gain valuable insights that empower us to make informed decisions. These insights help us identify areas of improvement, set sustainability targets, and implement effective strategies to reduce our carbon emissions and environmental footprint.


## QMS IMPLICATION

As part of our commitment to sustainability and operational efficiency, we launched a customized Quality Management System (QMS) app in Q4 2024 to enhance our factory audit processes. This app significantly transforms how our quality and vendor compliance teams conduct activities, including factory audits, by enabling direct input through iPads.

With hundreds of questions to address in areas like CSR, QMS, and EMS during our annual audits, the app streamlines reporting and updates, allowing for instant data entry. This efficiency means auditors can spend less time on report preparation and dedicate more time to working closely with suppliers to develop effective corrective action plans across various aspects, including production flow, social compliance, and environmental improvement.


Transitioning to a paperless system not only reduces our environmental impact but also promotes sustainability throughout our operations. The app facilitates seamless audits and inspections, allowing teams to record findings and generate comprehensive reports that are directly transmitted to our ERP system. This ensures real-time access to critical information for relevant staff members.

Additionally, the QMS app includes analytical capabilities that enable us to assess past results and identify key areas for improvement. By leveraging data-driven insights, we can prioritize quality control measures and allocate resources to orders that may present higher risks or require special attention. This proactive approach enhances our ability to uphold our sustainability goals while ensuring product quality.




CONCEPT4

Certified



Corporation



Annual Audit Report

AUDITOR INFORMATION

Auditor Company:  
Concept 4

Auditor:  
Liu Wei Ping (Johnson)

Audit Date From:  
09-Jan-2025 09:24

To:  
09-Jan-2025 17:17

SUPPLIER AUDIT INFORMATION

Factory Name:  
[REDACTED]

Factory Address:  
[REDACTED]

Factory Contact:  
[REDACTED]

Supplier Name:  
[REDACTED]

Supplier Contact:  
[REDACTED]

Overall Result

✓ PASS

GENERAL CONCLUSION OF THE AUDIT

CSR Results:	80.0
QMS Results:	78.91
EMS Results:	71.2

OVERALL SUMMARY

Factory license type:  
Private

Visited factory's name and address match with its information on business license ?  
Yes

Does the factory get any of below certificate or audit ?  

☐ BSCI

☐ SMETA

Number of workers reported by factory:  
33

Number of workers observed during the visit:  
26

Legal minimum working age:  
16

Legal minimum wage:  
[REDACTED]

Workers are compensated by:  

☐ Monthly

☐ Hourly

Legal standard work hours:  
8 hours/day, 40hours/week

Legal maximum overtime hours:  
3 hours/day, 36hours/month

Other special observation or comments if necessary:  
NA

REMARKS/COMMENTS

Report Prepared by:  
Liu Wei Ping (Johnson)

Factory Representative  
[Signature]

M/S



# 10. DIGITALIZATION AND AUTOMATION

## IMPACT TRACKER

As part of our digitalization efforts, we began collaborating with Palo IT in 2023 to develop the Impact Tracker, a tool designed to transform how we monitor and manage our carbon emissions. Thanks to the foundational framework created by Palo IT, we transitioned the program development to our internal digital department in 2024. This shift allows us to customize the program to better align with our business needs and enhances our flexibility.

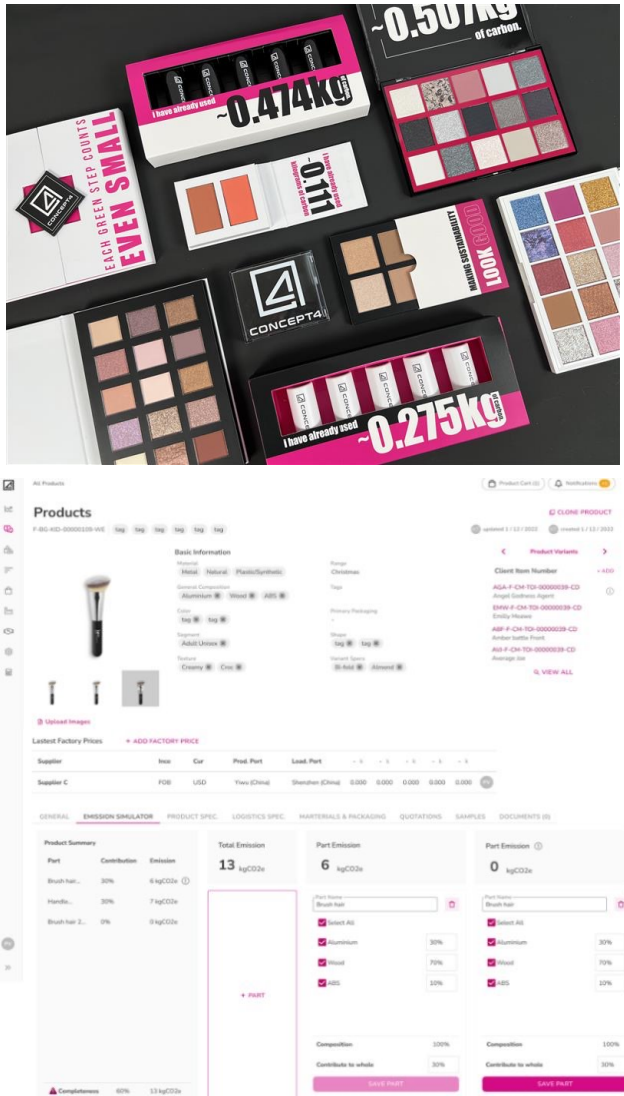
The Impact Tracker now provides real-time tracking of our carbon emissions across various GHG Scope 3 categories, including the purchase of goods, upstream and downstream transportation, product use, and product end of life. This innovative tool empowers us to make data-driven decisions, identify areas for improvement, and implement proactive measures to reduce our environmental impact.

By continuing to leverage this technology internally, we are committed to promoting sustainability and driving positive change within our industry.

## CARBON EMISSION ESTIMATION TOOLS FOR PRODUCT

As the demand for transparency in carbon footprints grows, we have responded by developing an internal carbon emission calculation tool to meet the needs of our diverse client base.

This tool enables us to estimate the carbon emissions associated with producing our products from cradle to gate. During the product development stage, we provide clients with estimation on the carbon footprint of various materials that could be used in the product. By comparing these estimates, clients can make informed decisions that align with their sustainability strategies and budgetary considerations. This initiative not only enhances our commitment to sustainability but also empowers our clients to take actionable steps toward reducing their environmental impact.

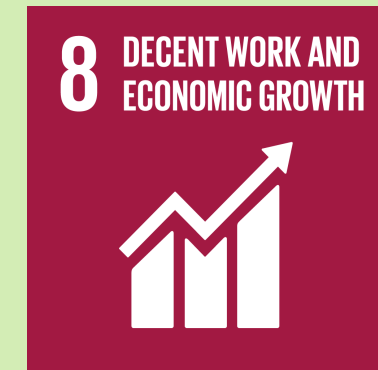


Looking ahead, we will continue to explore and invest in digitalization and automation initiatives that align with our sustainability objectives. We will collaborate with technology partners, industry experts, and stakeholders to leverage the power of innovation and drive positive change. Through digitalization and automation, we aim to lead the way in sustainable practices and inspire others to follow suit.

# 11. COMMUNITY

We operate our business as a force for good, particularly in benefiting our local community. Our main goal is to empower vulnerable groups with the resources and skills for their better future.

By collaborating with other meaningful and influential organisations, we aim to generate synergies that encourages systemic changes. We are doing it to lay the groundwork for a sustainable and prosperous future for our employees and our community.





# 11.1 YOUTH EMPOWERMENT

We are firm believers that creativity transcends age barriers, especially in the fast forward consumer goods industry. To ignite creativity within Concept 4, youth empowerment is a key that benefits both our colleagues and the community.

## CONNECT WITH LOCAL UNIVERSITIES

We have joined the partnership scheme as the Ordinary Corporate Member with HK Polytechnic University since 2021. On top of monetary donation, a summer internship program has been held annually to let talented students to gain hands-on experience for their future career in the textile and beauty industry, under the guidance of our experienced colleagues.



## JOB SHADOWING

For 8 weeks from November, talented students from West Island School have embarked on an inspiring content creation initiative for our Instagram page, marking the commencement of a weekly takeover.

During their engagement with us, these students showcased remarkable initiative and a deep-seated passion for storytelling through visual mediums. They have taken the helm of their own photoshoots and graphic designs, while receiving valuable guidance and support from our marketing team on design and creative direction to refine their concepts into captivating content that resonates with our audience.

This collaborative effort signifies the start of an exciting journey as we empower these young minds and nurture their creative growth. We eagerly anticipate witnessing how their contributions will enrich and ignite inspiration within the company.





## 11.2 COMMUNITY ENGAGEMENT

We believe in actively engaging with our community and making a positive impact beyond our business operations. In action, the Company will top up employee's donation with match ratio of 1:1 to the same charitable entity with stated boundaries.

Since 2022, we were involved in various community initiatives that reflected our commitment to social responsibility and sustainability. Through these efforts, we strengthened our relationships with credible charities, non-profit organisations, in order to support vulnerable minority groups and contribute to the well-being of our community.

### ***FOOD ANGEL HK VOLUNTEERING FOR INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY***

To mark the "International Day for the Eradication of Poverty" on 17<sup>th</sup> October 2024, 21 colleagues have participated in an event organized by "Food Angel". It is a program under the Bo Charity Foundation in Hong Kong, that rescues surplus food to reduce food waste going to landfills and fight hunger for people in need.

During the 3 hours volunteering, colleagues have prepared 430kg of vegetables for the organisation to prepare the food boxes of the day. This collaboration reflects our ongoing commitment to reducing poverty and hunger, showing how collective action can bring positive change to our communities.





# 11.2 COMMUNITY ENGAGEMENT

## ***STRENGTHENING PARTNERSHIP WITH OXFAM RICE STALL FUNDRAISING***

On July 10th, 2024, we continued our participation for Oxfam Hong Kong's annual fundraising through rice stall volunteering and sponsorship. The primary objective of this event was to raise funds for small-scale farmers and to raise awareness among the public about this vulnerable group.



A group of 12 colleagues participated, which raised HKD 30,000 in total from this event. All donations collected will be used to support small-scale farmers, educating and aiding them in achieving agricultural diversification and support poverty conditions. We are honoured to receive a certificate of appreciation from Oxfam, recognizing our commitment to continuing supports.

## ***BENEFICIARIES VISIT***

Oxfam Hong Kong works tirelessly to support vulnerable communities through various programs that address issues such as education, healthcare, and sustainable livelihoods. By actively participating in multiple Oxfam initiatives, we have strengthened our collaboration and commitment to their mission. Highlights of our partnership include participating in the Oxfam Rice Event, which raised funds to support their impactful programs, and a visit by our HR Manager in December to meet beneficiaries firsthand. This visit provided valuable insights into how Oxfam's efforts are transforming lives and making a lasting difference.



We take pride in our ongoing support of Oxfam's mission and our contribution to cultivating meaningful changes within the community. Our commitment to this partnership will not only endure but also strengthen in the near future, cultivating a heightened sense of responsibility as a purposeful business.



# 11.2 COMMUNITY ENGAGEMENT

## CONTINUOUS OF CARING COMPANY SINCE 2023

We are delighted to have joined the 'Caring Company' scheme consecutively for 2 years since 2023, which recognizes the value of corporate social responsibility, and demonstrates our value as a business in Hong Kong, in promoting our society development.

The Caring company Scheme was launched by The Hong Kong Council of Social Service (HKCSS) in 2002, and aims to facilitating cross-sector collaborations and explore innovative and appropriate initiatives that respond to the voices and needs of different stakeholders.



## FIRST ATTENDANCE AT S+ SUMMIT

The S+ Summit provided a dynamic platform for over 5,000 stakeholders to come together and engage in meaningful dialogue around local and regional social issues within the framework of the Sustainable Development Goals (SDGs).

It was heartening to witness representatives from community, business, government, academia, and other sectors unite in their commitment to creating positive social impact.



## VISITING RETHINK HK 2024

Events like Rethink are vital in fostering dialogue and collaboration in the sustainability space. A big thank you to all the organizers and participants for sharing their knowledge and passion for sustainability.

It was fascinating to see how different companies interpret eco-design in their contexts. These insights remind us of the importance of innovation, consumer education, and storytelling in driving sustainable practices!





# 12. CLOSING STATEMENT

As we conclude this sustainability report, we take a moment to acknowledge the significant achievements of 2024 in advancing our sustainability goals. However, we view this as just the beginning of our sustainability journey. Moving forward, our focus will be on calling for action!

We are pleased to share this report, which will be accessible in the library section of our website, providing a transparent overview of our sustainability efforts. If you have any questions or need more information about the report, please reach out to us at [c4sustainability\\_external@concept4.net](mailto:c4sustainability_external@concept4.net).

As we look ahead to 2025, we are eager to outline our plans for the coming year:

## CUSTOMERS

We recognize the importance of aligning our sustainability efforts with our customers' objectives. In 2024, we initiated a customer satisfaction survey to gauge this alignment, but we see an opportunity for improvement in our response rate.

Therefore, in 2025, we will enhance our engagement with customers to better understand their sustainability goals and ensure that our initiatives support their needs effectively.

## LABOUR

To comprehensively analysis our employee's voice and systematically identify areas of improvement at our workplace. In 2025, we are planning to utilize external independent platform in arranging the annal Employee Satisfactory Survey via Great Place to Work.

We believe using a set of standardized and globally adapted survey, can better compare ourselves with the industry, hence promoting a greater workplace.

## PRODUCTS

Following the launch of our Eco-Design initiative in 2024, our focus in 2025 is on full implementation. We are integrating Eco-Design principles into product development, setting clear sustainability goals for our procurement teams, and prioritizing responsible sourcing and low-impact materials.

Through our sustainability platform, we will track progress, measure results, and ensure accountability. This year, we are committed to turning our vision into tangible actions — making Eco-Design a core standard in how we create our products.

## SUPPLY CHAIN

With carbon emissions data now collected from majority of our suppliers, 2025 marks the beginning of a new phase: Action! This year, we will actively engage our supply chain partners to identify and implement strategies that support lower-carbon production and greener manufacturing practices.

Our goal is to move beyond measurement and collaborate on tangible solutions that reduce environmental impact, drive innovation, and contribute to a more sustainable value chain.

## EXTERNAL COLLABORATION

As a Certified B Corporation and active member of the B Beauty Coalition, we are committed to deepening our engagement within the global B Corp community.

In 2025, one of our key areas of focus will be to actively seek and participate in meaningful collaboration opportunities with fellow B Corps and like-minded organisations. Through ongoing involvement in B Beauty working groups and strategic connection platforms, we aim to co-create innovative projects that drive systemic change, promote responsible beauty practices, and amplify our collective impact.

## ENVIRONMENT

In line with our Science Based Targets initiative (SBTi) commitment, 2025 will be a year of focused action. We will implement targeted carbon reduction measures across our offices to support our goal of reducing Scope 2 emissions by 42% by 2030.

A key focus will be reducing electricity consumption in our office spaces through energy efficiency upgrades, adoption of smart energy management systems, and a continued shift toward renewable electricity. These efforts are essential in turning our climate goals into measurable progress and driving meaningful environmental impact.

As we embark on the next chapter of our sustainability journey, we are grateful for the support and collaboration of our stakeholders. Together, we will continue to drive positive change, foster innovation, and create a more sustainable future.

EACH **GREEN** STEP  
COUNTS  
EVEN SMALL...





APPENDIX 1: KEY PERFORMANCE INDICATOR

ENVIRONMENTAL PERFORMANCE												
Greenhouse Gas Emissions (nearest to the one)												
GHG Protocol Scope	ISO 14064 Emission Category	Direct/Indirect Emissions and Removals		GHG Protocol Scope 3 Category	Carbon Emission in 2022 (tCO2e)		Carbon Emission in 2023 (tCO2e)		Carbon Emission in 2024 (tCO2e)		% Change 2023 vs 2024	Emission Intensity 2024 (tCO2e/employee)
Scope 1	Category 1	Direct GHG emissions and removals		Included in scope 1	0		0		0		0	0
Scope 2 (market-based)	Category 2	Indirect GHG emissions from imported energy		Included in scope 2	111.09		105.60		104.63		-1%	0.87
Scope 3	Category 3	Indirect GHG emissions from transportation	Cat 4: upstream transportation	1,625	2,604	801	1,954	795	1,584	-1%		
			Cat 6: business travel	175		116		106		-8%		
			Cat 7: employee commuting	59		54		56		+4%		
			Cat 9: downstream transportation	745		983		626		-36%		
	Category 4	Indirect GHG emissions from products used by organisation	Cat 1: purchased goods and services	14572	14,619	17605	17,643	17,235	17,246	-2%		
			Cat 2: capital goods	16		7		5		-35%		
			Cat 3: fuel- and energy-related emissions not included in scope 1 or scope 2	30		20		4		-81%		
			Cat 5: waste generated in operations	1		1		2		+67%		
	Category 5	Indirect GHG emissions associated with the use of products from the organisation	Cat 11: use of sold products	780	2,170	707	2,258	1,957	2,858	+177%		
			Cat 12: end-of-life of sold products	1390		1551		901		-42%		
	Category 6	Indirect GHG emissions from other sources	No related category		0		0		0			-1%
Total					19,504		21,950		21,792		-1%	
Energy Consumption								Carbon Emission				
Type	Location	Number of Unit (kWh)			Energy (GJ)			Scope 2 Emission (tCO2e)			Emission Intensity (tCO2e/employee)	
Year		2022	2023	2024	2022	2023	2024	2022	2023	2024	2024	
Electricity	Dongguan	57414.80	56812.12	56221.36	206.69	204.52	202.40	31.99	26.79	24.75	0.65	
	Hong Kong	88059.00	85008.21	88556.00	317.01	306.03	318.80	62.52	57.81	58.45	0.93	
	Shanghai	27745.66	36012.60	36645.02	99.88	129.65	131.92	15.46	22.01	21.43	1.26	
Total		173219.46	177832.93	181422.38	623.59	640.20	653.12	111.09	105.60	104.63	0.87	

APPENDIX 1: KEY PERFORMANCE INDICATOR

ENVIRONMENTAL PERFORMANCE										
Resources Consumption										
Type	Location	Number of Unit (m³)				% change	Consumption Intensity (m³/employee)			
Year		2021	2022	2023	2024	2023 VS 2024	2021	2022	2023	2024
Water	Dongguan	304.13	324.73	375.97	415.15	10%	8.00	8.55	9.64	10.93
	Hong Kong	118.10	110.33	88.15	120.72	37%	2.04	1.90	1.36	1.83
	Shanghai	98.00	32.00	20.00	13.00	-35%	4.90	1.60	0.91	0.68
Total		520.23	467.06	484.12	548.87	13%	4.48	4.03	4.17	4.57
2024		Waste Recycled (kg)					Total Waste Disposed (kg)	Total Waste % by Location	Total Recycled Rate (%)	
Non-hazardous waste (kg)	Location	Paper	Plastic	Metal	Glass	Total Recycled (kg)				
	Dongguan	44.00	0.00	0.00	1.20	45.20	306.06	9.55%	4.80%	
	Hong Kong	108.00	16.96	19.05	3.00	147.01	2916.17	83.29%	12.87%	
	Shanghai	2.11	136.06	0.00	0.00	138.18	125.00	7.16%	52.50%	
	Total	154.11	153.02	19.05	4.21	330.39	3347.22	100%	8.98%	
*We will start collecting the actual weight of hazardous waste within our offices in the future.										



APPENDIX 1: KEY PERFORMANCE INDICATOR

SOCIAL PERFORMANCE					
Total Workforce					
By Geographical Location	2021	2022	2023	2024	Proportion 2024 (%)
Hong Kong	58	58	65	69	52%
Dongguan	37	38	39	38	29%
Shanghai	20	20	22	22	17%
France	2	3	2	3	2%
Total	117	119	128	132	100%
Employee Satisfactory Level (%)	-	82	80	76%	-
By Gender					
Female	87	88	95	99	75
Male	30	31	33	33	25
Female Manager	17	17	17	33	85
Male Manager	2	3	4	6	15
By Age					
Below 25 and Above 50	21	22	34	39	30
25-50	96	97	94	93	70
By Employment Type					
Full-time	113	117	118	123	93
Part-time	0	0	3	8	6
Temporary	4	2	1	1	1
Contract	0	0	6	0	0
By Ethnic Group					
Chinese	-	109	119	119	90
Others (Other Asians, Europeans etc.)	-	10	9	13	10

APPENDIX 1: KEY PERFORMANCE INDICATOR

SOCIAL PERFORMANCE					
Turnover	Units	2021	2022	2023	2024
Total number of new staffs	Number	-	-	38	28
Total number of staff separation	Number	27	21	30	24
Health & Safety					
Percentage of employees covered by OHS audit	%	0	58	61	52
Percentage of employees covered by medical insurance	%	100	100	100	100
Percentage of employees covered by retirement fund	%	100	100	100	100
Percentage of employees covered by flexible working hours	%	100	100	100	100
Injury Rate					
Sick Leave Rate	%	N/A	N/A	N/A	0.95
Total Recordable Injury Rate	(TRIR)/200,000 work hours	0	0	0.001	0.912
Lost time injury (LTI) frequency rate for direct workforce - company wide	(total number of lost time injury events) x 1,000,000 / total hours worked	0	0	4.313	4.561
Lost time injury (LTI) severity rate for direct workforce	(number of days lost due to injuries) x 1,000 / total hours worked	0	0	0.004	1.117
Fatality Rate as a result of work-related injury	(FR)/200,000 work hours	0	0	0	0
Working Environment					
Average Room Temperature	°C	-	-	23.08	21.24
Number of times air quality exceeding normal	Number	-	-	48	37



APPENDIX 1: KEY PERFORMANCE INDICATOR

SOCIAL PERFORMANCE					
Training	Units	2021	2022	2023	2024
Average hours of training provided per employee	Hours/employee	-	-	23.5	15.5
Number of skills development trainings	Number	-	23	41	20
Percentage of employees trained on CSR issues	%	50	50	100	100
Percentage of employees trained on Business Ethics	%	100	100	100	100
Percentage of employees trained on Environmental issues	%	-	48	100	100
Percentage of procurement related colleagues trained on Sustainable Procurement or CSR issues	%	-	-	55	65
Percentage of employees trained on Diversity & Inclusion	%	-	-	100	100
Percentage of employees trained on Health & Safety	%	-	48	100	100
Percentage of employees trained on Anti-Bribery & Corruption	%	50	48	100	100
Percentage of employees trained on Information Security	%	-	48	100	100

APPENDIX 1: KEY PERFORMANCE INDICATOR

GOVERNANCE PERFORMANCE						
Reported Cases of Violation						
Aspects	Unit	2021	2022	2023	2024	Target in 2025
Health and Safety	Number	0	0	1	1	0
Discrimination or harassment incidence		0	0	0	0	0
Information Security		0	0	1	0	0
Anti-bribery and Corruption		0	0	0	1	0
Anti-competition		0	0	0	0	0
Child or forced labour in our company and our supply chain		0	0	0	0	0
Confirmed Cases						
Aspects	Unit	2021	2022	2023	2024	Target in 2025
Health and Safety	Number	0	0	1	1	0
Discrimination or harassment incidence		0	0	0	0	0
Information Security		0	0	1	0	0
Anti-bribery and Corruption		0	0	0	0	0
Anti-competition		0	0	0	0	0
Child or forced labour in our company and our supply chain		0	0	0	0	0
Number of legal disputes		0	0	0	0	0
Fines paid due to compliance issues	USD	0	0	0	0	0



APPENDIX 1: KEY PERFORMANCE INDICATOR

Sustainable Procurement Performance					
Supplier Engagement					
Aspects	Units	2021	2022	2023	2024
% of suppliers signed our Supplier Code of Conduct	%	100	100	100	100
% of suppliers with contracts including clauses on labour and human rights requirements	%	100	100	100	100
% of onboarding suppliers trained on CSR issues	%	80	100	100	100
% of suppliers assessed on CSR issued	%	100	100	100	100
% of suppliers being audited on CSR issues	%	100	100	100	100
% of suppliers being audited <i>on-site</i> on CSR issues	%	100	100	100	35
Number of inspections per year to audited factories on child/forced labour	Number	126	95	99	98
% of audited suppliers engaged in corrective actions or capacity building	%	87	98	92	68
% of active suppliers with EMS related certificates (ISO 14001, ISO 50001)	%	-	21	24	27
% of suppliers provided environmental and social data by C4 turnover	%	-	52	83	92
Number of reported child or forced Labour incidents in our supply chain	Number	0	0	0	0
Sustainable Procurement					
% of products produced with certified materials (FSC, BCI cotton, GRS, GOTS, and others)	%	-	22	38	26.37
% of products produced with recycled materials	%	-	-	18.6	8.61

APPENDIX 2: GRI CONTENT INDEX



STATEMENT OF USE	Concept 4 Limited has reported the information cited in this GRI content index for the period, 1 <sup>st</sup> January 2024 to 31 <sup>st</sup> December 2024, in accordance with the GRI Standards.
GRI used	GRI 1: Foundation 2021

General disclosures							
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NUMBER)	OMISSION			GRI SECTOR STANDARD REF. NO.	
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-2 Entities included in the organisation’s sustainability reporting	4	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.				
	2-3 Reporting period, frequency and contact point	4					
	2-4 Restatements of information	4					
	2-5 External assurance	4					
	2-6 Activities, value chain and other business relationships	9					
	2-7 Employees	88					
	2-8 Workers who are not employees	-	GRI 2-8	Information unavailable	We do not have workers who are not employed under Concept 4		
	2-9 Governance structure and composition	11					
	2-10 Nomination and selection of the highest governance body	11					
	2-11 Chair of the highest governance body	11					
	2-12 Role of the highest governance body in overseeing the management of impacts	11					
	2-13 Delegation of responsibility for managing impacts	11					
	2-14 Role of the highest governance body in sustainability reporting	11					
	2-15 Conflicts of interest	11					
	2-16 Communication of critical concerns	11					
	2-17 Collective knowledge of the highest governance body	11					
	2-18 Evaluation of the performance of the highest governance body	11, 12, 14					
	2-19 Remuneration policies	-	GRI 2-19	Confidentiality constraints	As a private entity, we do not wish to disclose.		
	2-20 Process to determine remuneration	-	GRI 2-20	Confidentiality constraints	As a private entity, we do not wish to disclose.		
	2-21 Annual total compensation ratio	-	GRI 2-21	Confidentiality constraints	As a private entity, we do not wish to disclose.		
	2-22 Statement on sustainable development strategy	5					
	2-23 Policy commitments	10-14, 23-25, 30, 41, 62					
	2-24 Embedding policy commitments	10-14, 23-25, 30, 41, 62					
	2-25 Processes to remediate negative impacts	12, 17, 47					
	2-26 Mechanisms for seeking advice and raising concerns	4, 12					
	2-27 Compliance with laws and regulations	91					
	2-28 Membership associations	15-21					
	2-29 Approach to stakeholder engagement	13					
	2-30 Collective bargaining agreements	-	GRI 2-30	Information unavailable	We do not consider constructing a collective bargaining agreement with our employees.		



APPENDIX 2: GRI CONTENT INDEX



MATERIAL TOPICS						
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NUMBER)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13-14	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	13-14				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	62-74				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-	GRI 204-1	Information unavailable	We are expected to include this onto our KPI of next sustainability report.	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	23-25				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	24				
	205-2 Communication and training about anti-corruption policies and procedures	24				
	205-3 Confirmed incidents of corruption and actions taken	25				

APPENDIX 2: GRI CONTENT INDEX



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NUMBER)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	32-33				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	33, 86				
	302-2 Energy consumption outside of the organisation	34, 86				
	302-3 Energy intensity	86				
	302-4 Reduction of energy consumption	32-33				
	302-5 Reductions in energy requirements of products and services	34				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	35				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	35				
	303-2 Management of water discharge-related impacts	35				
	303-3 Water withdrawal	-	GRI 303-3	Not applicable	We have no control of water withdrawal	
	303-4 Water discharge	35, 87				
	303-5 Water consumption	35, 87				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	32-24				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	33, 86				
	305-2 Energy indirect (Scope 2) GHG emissions	33, 86				
	305-3 Other indirect (Scope 3) GHG emissions	34, 86				
	305-4 GHG emissions intensity	86				
	305-5 Reduction of GHG emissions	34				
	305-6 Emissions of ozone-depleting substances (ODS)	-	GRI 305-6	Information unavailable	We have no identified source of such emission	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	GRI 305-7	Information unavailable	We have no identified source of such emission	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	36-40				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	36-37				
	306-2 Management of significant waste-related impacts	36-40				
	306-3 Waste generated	87				
	306-4 Waste diverted from disposal	87				
	306-5 Waste directed to disposal	87				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	62-68				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	63-64				
	308-2 Negative environmental impacts in the supply chain and actions taken	63-68				



APPENDIX 2: GRI CONTENT INDEX



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NUMBER)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	41-43				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	89				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43				
	401-3 Parental leave	43				
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	41				
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	GRI 402-1	Information unavailable	This information to be included in the next report	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	44-45				
	403-2 Hazard identification, risk assessment, and incident investigation	44-45				
	403-3 Occupational health services	43				
	403-4 Worker participation, consultation, and communication on occupational health and safety	43, 45				
	403-5 Worker training on occupational health and safety	45				
	403-6 Promotion of worker health	55-57				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44-45				
	403-8 Workers covered by an occupational health and safety management system	89				
	403-9 Work-related injuries	89				
	403-10 Work-related ill health	89				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	46-47, 50				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	90				
	404-2 Programs for upgrading employee skills and transition assistance programs	90				
	404-3 Percentage of employees receiving regular performance and career development reviews	90				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-52				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	88				
	405-2 Ratio of basic salary and remuneration of women to men	-	GRI 405-2	Information unavailable	We are in preparation to calculate this data, to be included in the next report	

APPENDIX 2: GRI CONTENT INDEX



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (PAGE NUMBER)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-52				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	91				
Child labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 62-68				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	-	GRI 408	Confidentiality constraints	We do not disclose our supplier base	
Forced or compulsory labour						
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 62-68				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	-	GRI 409	Confidentiality constraints	We do not disclose our supplier base	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	79-83				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	80-89				
	413-2 Operations with significant actual and potential negative impacts on local communities	80-89				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	62-68				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	63-64				
	414-2 Negative social impacts in the supply chain and actions taken	63-68				
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics	29				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	-	GRI 417-1	Not applicable	We have no control on how our client's do their labelling and marketing	
	417-2 Incidents of non-compliance concerning product and service information and labelling	-	GRI 417-2	Information unavailable	No incidents happened	
	417-3 Incidents of non-compliance concerning marketing communications	-	GRI 417-3	Information unavailable	No incidents happened	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	27-28				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	27-28, 91				



Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	EXPLANATION
GRI 201: Economic Performance	Due to the format of our business, this is not considered as a material
GRI 202: Market Presence	Due to the format of our business, this is not considered as a material
GRI 203: Indirect economic impacts	Due to the format of our business, this is not considered as a material
GRI 206: Anti-competitive behaviour	Due to the scope and size of our business, this is not considered as a material
GRI 207: Tax	Due to the format of our business, this is not considered as a material
GRI 304: Biodiversity	Due to the nature of our business, this is not considered as a material
GRI 407: Freedom of association and collective bargaining	Due to the scope and size of our business, this is not considered as a material
GRI 410: Security practices	Due to the scope and size of our business, this is not considered as a material
GRI 415: Public policy	Due to the scope and size of our business, this is not considered as a material
GRI 416: Customer health and safety	Due to the nature of our business, this is not considered as a material

