



THE CONSCIOUS REPORT

VSME Sustainability Report – TCHAI **2024**

VSME Sustainability Report

2024

CONSCIOUS

/ˈkɒnʃəs/ (pronounced KON-shus] Adiective

Aware of and responding to one's surroundings; awake.

'He was fully conscious during the procedure."

Having knowledge of something; aware.

"She was conscious of the impact of her words."

Deliberate; intentional.

"It was a conscious choice to reduce our carbon footprint."

In an ESG context, "conscious" is often used to mean being aware of the impact of actions and making intentional, responsible choices.

VSME SUSTAINABILITY REPORT

2024

This is our first Report on Sustainability, a reflection on our journey so far, and the steps that will follow.

The past 2 years have been an evolving process in every sense of the word. A process that took us on the road, literally, visiting our main suppliers to listen, learn, and strengthen the relationships that shape our value chain. We also connected with clients to exchange ideas and share perspectives on sustainability matters. And, of course, we looked inwards, engaging with all the people working at Tchai.

Finally, with all this input, we collected the right data, set up data streams, created baselines, and built the systems that will guide us forward. More than anything, this journey has been about people, teamwork, collaboration, and growing a sustainable mindset together.

It has brought us awareness, consciousness.

That's why we call this our Conscious Report.

It's about becoming aware of where we stand, what we can change, and how we can grow. These past years were about insight and foundation; the years ahead will be about transformation, with clear targets built on the groundwork we've laid here.

Every change starts with consciousness. That's why next year's report will be The Change Report, where awareness becomes action, and our foundation turns into measurable progress. We begin this report with a message from Kim and Vera, our strategic team, reflecting on balance, responsibility, and the energy that connects everything we do.

A MESSAGE FROM OUR STRATEGIC TEAM.



As Tchai's all-female strategic team, we guide the company's direction and shape how conscious work becomes more deeply rooted in everything we do. This goes beyond making plans; it's about shaping a mindset and a culture. And even when our perspectives differ, our connection gives us the strength to move forward together. We believe leadership can be intuitive and gentle yet powerful, always grounded in people and purpose.

As a team, we bring both long-term thinking and fresh energy. We look closely at the connections between people, processes, and the future. For us, sustainability is not an extra task or a separate goal. It grows from within, shaped by how we think, lead, and collaborate.

Our work is often a balancing act. We create things that are temporary, a display, a space, an experience, but their impact can last far beyond the moment. Sometimes that impact is tangible, and not always positive: it lives on in the materials we use, the way things are produced, the energy it takes. And yet, there's another kind of impact too, giving beauty to this impermanence, because what we create can move people, shift perspectives, and spark new ideas.

The awareness of our impact brings responsibility, and at times (creative) challenges. We want to produce sustainably, yet the reality is that the client often sets the course. The tension between conviction and commerce is real. We know things must change, but to truly break free from old patterns, we must dare to think differently.

We know we cannot be perfect. There will be projects where material choices are limited, budgets tight, or timelines demanding. In those moments we ask: Is this responsibly produced? Does it add meaning? Does it set something positive in motion? For us, sustainability is not only about the environment, it is also about humanity: how we collaborate, how we produce fairly, and how we create real value. So, although we may not be able to change everything at once, but we do have influence. By making small choices visible and guiding our clients along the way, we show that things can be done in other ways. Standing still is not an option. Because it is in movement that we make a difference.

At Tchai, sustainability isn't a department or a project. It's a way of seeing. As a strategic team, we nurture that process through conversations that bring awareness and inspire better choices.

What once were isolated initiatives are now part of our strategy. We've set goals, gained insight into our value chain, and, most importantly, kept the conversation alive. That dialogue has sparked something essential among our team, suppliers, and partners: a growing sense of ownership. You can report numbers, but only when people feel involved does real change happen.

The new VSME guidelines suit us well: less complex than CSRD. We don't see this simplicity as an excuse however, but as an invitation to move forward in our own way, focusing on meaningful steps rather than rules, and adding our own perspective, guided by outcomes of our double materiality assessment. We don't do this alone, but in close collaboration with our stakeholders, clients, partners, and colleagues alike. Because what drives Tchai is not one idea or one person, it is the collective energy of all collaborations. People who complement and challenge each other, creating something lasting, even in what appears temporary.

This collaboration is our true currency. It lives in how we engage with clients and suppliers, but also in how we work within our own team: sharing knowledge, teaming up and continuously looking for what can be better. It brings growth, trust, and resilience. Yet it also makes us vulnerable. If collaboration stalls, everything slows.

We are grateful for the strong relationships we have built, with clients who trust us year after year, and with suppliers who think alongside us. But if it truly is our currency, we must keep investing in each other. As a company, we are proud to lead with courage. Investing in change rarely feels easy, especially in uncertain times. It takes balance, but for us, balance does not mean standing still. It means moving with intention, not too fast, not too slow, and always with direction.

That's how we keep evolving Tchai, a third-generation family business. Rooted in both Chinese heritage and Dutch practicality, we combine long-term vision with everyday pragmatism. For the youngest generation, sustainability is a new chapter, but one that grows naturally from who we are.

What drives us is not only what we create, but how we create it, always bringing our Tchi, our energetic life force, the focused energy that fuels our craft, guides our decisions, and drives our pursuit of excellence. With that, we don't just design spaces. We build different. Aiming to spark positive change for people and the planet with every space we shape.

Let's not see this sustainability report as an endpoint, but the beginning of a broader conversation.

Let's continue that conversation together.

Kim & Vera

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General information CHAPTER 1

B1 Basis for Preparation

This Conscious Report has been prepared by Tchai International B.V., following the Basic Module of the VSME framework, complemented by selected elements from the Comprehensive Module. This combination provides a balanced and relevant overview of our sustainability impact, reflecting both where we stand and where we are heading. Because the VSME framework is voluntary, external assurance is optional. For this edition, we chose not to seek external verification, as our dedicated ESG reporting software ensures full alignment with VSME requirements and safeguards data accuracy. The VSME framework is inspired by the structure of the European CSRD but applies to SMEs and does not carry mandatory audit obligations.

All disclosures are complete and transparent; no information was omitted for reasons of sensitivity or classification. The report has been prepared on an individual company basis.

Tchai operates one site in Ridderkerk, The Netherlands. This site is not located in or near a biodiversity-sensitive area as defined in the VSME, therefore, Disclosures B5 - Biodiversity has been excluded from the scope of this report. Furthermore, Tchai incurred no convictions and no fines for violations of anti-corruption or anti-bribery laws in 2024; as a result, there are no amounts to report under B11 - Convictions and fines for corruption and bribery.

ABOUT TCHAI

Based in Ridderkerk, The Netherlands, Tchai develops creative concepts for brands, designs retail and hospitality environments, and manages projects from concept to realization, bringing ideas to life with positive energy and a spirit of genuine connection. As a third-generation family company, we combine creativity and innovation with a conscious mindset.

We collaborate with a network of specialized partners for production and work closely with them to ensure quality, innovation, and alignment with our sustainability principles. Within our own facilities, we support projects through assembly, prototyping, and quality control activities that strengthen our design and project management services.

Our projects often balance imagination with responsibility, creating temporary environments that can leave a lasting positive impact.

General information

Legal form: Private limited liability undertaking NACE sector: 74.13 – Interior design activities

Balance sheet total (EUR):€ 5,324,593Turnover (EUR):€ 15,400,637Country of primary operation:The Netherlands

Registered site:

TCHAI International B.V. Kolenbranderstraat 24 2984 AT Ridderkerk The Netherlands

Strategy & Transition CHAPTER 2

C1 Strategy: Business Model and Sustainability–Related Initiatives (Comprehensive Module)

Our Business Model - What we do

At Tchai, we help brands bring their stories to life through spaces that connect people, purpose, and experience. Operating in the retail and hospitality sectors, we bridge strategy, design, and realization, guiding projects from idea to impact. Our multidisciplinary approach ensures that every stage, from concept to completion, is handled with care, creativity, and responsibility.

Our Key Services

Strategy & Concepting

This is where strategy meets imagination. We work with brands to define who they are, what they stand for, and how they want people to feel. Our creative strategists translate insights into direction, shaping the foundation for experiences that are both meaningful and effective.

Our work includes:

- Brand positioning, narrative, and vision
- Customer and audience research & profiling
- Competitive and sector analysis
- Format strategy, experience strategy, and ideation

(Technical) Design

We turn creative concepts into tangible designs that can be visualized, tested, and built. Our design teams combine aesthetics and functionality, integrating sustainable materials and digital tools to preview and refine ideas before execution.

Activities include:

- 2D and 3D design visualizations (floorplans, mood boards, etc.)
- Use of VR and AR to preview spaces
- Advice on materials, technical feasibility, and sustainable design

Prototype & Value Engineering

Mock-ups and prototypes allow us to refine ideas and optimize value, balancing creativity, functionality, cost, and sustainability before moving into production.

We make sure every element works in practice as beautifully as it does in concept.

This phase includes:

- Building mock-ups or prototypes
- Optimizing cost, function, and materials to ensure optimal value

Project Management

Good ideas need solid structure. Our project managers coordinate every step of the process, keeping projects on time, on budget, and in flow.

We manage complexity so creativity can shine.

Our activities include:

- Managing timelines, budgets, and stakeholder coordination
- Handling all phases from initial plan through execution

Outsourced Mass Production

When projects scale, we ensure that every detail is reproduced with consistency and care.

Through our trusted network of specialized suppliers, we translate designs into large-scale production without losing their soul.

This includes:

- Scaling up production of fixtures, displays, and store fittings
- Managing high-volume manufacturing for multi-site rollouts

Installation & Maintenance

Delivery is not the end, it's the beginning of experience.

We oversee installation and provide ongoing support to make sure everything functions, feels right, and lasts over time.

Our process includes:

- Deployment of built products and store elements
- Proactive maintenance, support, and logistics coordination

Our Key Offerings & Tools

We create environments and experiences that merge creativity with technology, using tools that streamline design, installation, and communication.

Our work includes:

Brand activations / experiential retail spaces:

immersive environments in stores, pop-ups, and flagships

Phygital experiences:

merging physical and digital elements (interactive displays, digital signage, etc.)

Custom tools:

internal and external digital tools for installation, maintenance, and project tracking

Our Industry

Tchai serves global brands in the retail and hospitality markets, clients who seek meaningful, memorable customer experiences. We work with a broad network of suppliers and partners across design, manufacturing, and logistics. Our supply chain includes responsibly sourced raw materials such as wood, metals, plastics, and packaging. Through collaboration with sub-suppliers and production partners, we deliver installations and environments worldwide.

How we work

The Feng Huang in a Self-Managing System

At Tchai, we believe that responsibility grows when it is shared. That is why we work with self-managing teams, each empowered to take ownership of decisions, actions, and results. This way of working is intentional: it increases agility, accountability, and innovation. It also aligns with our Sustainable philosophy, where clarity, ownership, and measurable progress form the foundation of our sustainability journey.

Our organizational model is not a traditional hierarchy; it is a living system. Inspired by our Chinese roots, we visualize Tchai as a Feng Huang, the mythical phoenix. She represents balance, harmony, and renewal, and rises only when every part works together in unity.

This is how we see ourselves: an interconnected organization where every team represents a vital part and contributes to its strength, balance, and movement. Together, we rise.

- Team Purple guides strategy, culture, vision, and sustainability direction the head of Tchai.
- Team Orange looks after wellbeing, development, and connection the heart that keeps our organization energized.
- Team Magenta leads design, concepting, visual communication, prototyping, and new business the mouth that expresses Tchai's creative voice.
- Team Green manages finance, facilities and HR the supporting wing that provides stability.
- **Team Yellow** oversees logistics, warehouse operations, preparation, and coordination the moving wing that keeps everything in motion.
- Team Red & Team Blue work closely with clients, listening, advising, and shaping solutions the feet that stay grounded in relationships.
- **Team Brown** takes care of installation and maintenance the tail that brings our work to life and ensures lasting quality.

Everyone works in close connection, and between all these teams flows our Tchi; the positive energy, creativity, and purpose that shape how we work. It's the quiet force that keeps us moving together in the same direction. Our Feng Huang structure is more than a metaphor; it is our operating model. Within Tchai, every team carries responsibility for its own measurable goals, risk assessments, safety practices, and, more recently, its sustainability progress.

Our governance structure ensures that sustainability decisions are made collectively within Tchai, supported where needed by independent external expertise that provides objective advice but does not influence decision-making authority.

B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy (Basic Module)

At Tchai, sustainability is not a statement; it's a structure that shapes the way we work. What begins as creative intention in our projects is supported by clear internal frameworks and responsible practices across all areas of our business.

These policies help us translate awareness into action: they define how we manage impact, collaborate with partners, and monitor progress toward a more sustainable economy. Some are already backed by measurable targets, while others continue to evolve as we deepen our understanding and collect data.

TOPIC	POLICY / PRACTICE	FOCUS	PUBLICLY AVAILABLE	TARGETS IN PLACE
CLIMATE CHANGE	Environmental Policy	Reduction of carbon footprint, promotion of renewable energy, and life-cycle integration in design.	Yes	Yes
WATER AND MARINE RESOURCES	Supply Chain Code of Conduct	Suppliers apply water-efficient processes in production and facility management.	No	No
CIRCULAR ECONOMY	Environmental & Material Standard Policies	Focus on renewable and recycled inputs, waste minimization, and circular design.	Yes	Yes
OWN WORKFORCE	Human Rights Policy, Code of Conduct, T-Track, and Health & Safety Policy	Promotes fair treatment, personal growth, wellbeing, and a strong safety culture through training and prevention.	Yes	Yes
WORKERS IN THE VALUE CHAIN	Supply Chain Code of Conduct	Defines human rights and labour standards, supporting supplier compliance and improvement.	Yes	No
CONSUMERS AND END- USERS	Design & Communication Principles	Encourages responsible design and transparent communication aligned with brand values.	Yes	No
BUSINESS CONDUCT	Code of Conduct, Whistleblower Policy	Defines ethical standards and offers safe, confidential reporting channels.	Yes	Yes

These policies ensure that sustainability is embedded not only in what we create, but in *how* we create, through conscious decisions, transparent processes, and collaboration at every level.

C2 General transition approach (Comprehensive Module)

Our Sustainability Strategy - Where we want to go

Sustainability is at the heart of Tchai's strategy. It shapes how we design, source, collaborate, and innovate. Our approach is built around three interconnected focus areas, People, Planet, and Integrity, guiding every decision we make.

PEOPLE

We foster an inclusive, safe, and inspiring workplace through our Human Rights Policy, Code of Conduct, Health & Safety Policy, and T-Track framework. We support professional development, dialogue, and well-being.

PLANET

We aim to design for circularity more and more, prioritizing renewable and recycled materials, engaging suppliers in reducing Scope 1–2 emissions, and minimizing waste, water use, and packaging.

INTEGRITY

We create long-term value through ethical conduct, transparent partnerships, and conscious innovation that benefits our clients, our teams, and our community.

Oversight of our sustainability strategy lies with Team Purple, the strategic team responsible for aligning vision and progress. From 2025 onwards, Tchai will publish annual environmental performance data, reinforcing transparency and accountability in our transition toward a more sustainable economy.

Our metrics

How we measure what matters

In 2024, we implemented Master Sustainability's ESG-reporting software as our central system for collecting, validating, and tracking sustainability data across Tchai The platform supports our teams in registering key KPIs, energy use, emissions, social indicators, supplier data, and ensures consistent documentation throughout the year.

During 2024, we also conducted our Double Materiality Assessment (DMA), following the core principles of the CSRD guidelines. The software helped structure the process, analyze stakeholder input and consolidate results into a clear materiality landscape. Alongside the tool, the Master Sustainability team provides transparent external consultancy, helping us interpret results objectively and challenge assumptions where needed. This blend of internal ownership and external expertise gives us a strong, data-driven foundation to build our conscious and future-oriented decision-making.

CHAPTER 3

INTEGRITY

INTEGRITY

/In'tegrati/ (pronounced in-TEG-ruh-tee)

Noun

The quality of being honest and having strong moral principles; moral uprightness.

"The integrity of the voting process must be upheld."

In an ESG context, "integrity" refers to honesty, ethics, and transparency in how a company operates.



Catalyzing Culture & Fostering Partnerships

Company Culture (G1) and Supplier Relations (G1)

For Integrity

The two G1 themes identified through our Double Materiality Assessment for Integrity are: Company Culture and Supplier Relations. We renamed them Catalyzing Culture and Fostering Partnerships, names that speak our language and reflect our way of working.

ESG puts governance at the end, but at TCHAI it is where everything begins. Our way of working, self-managed, transparent, connected, started with conscious choices about how we organize ourselves.

When our governance is clear, human, and aligned with our values, awareness naturally grows across the whole company. We feel this in our teams, in our people, and in the long-term partnerships that form around mutual trust and genuine alignment.

C2 Transition Work for the Integrity Pillar (Comprehensive Module)

Existing Practices and Policies

We maintain strong governance foundations through:

- The Tchai Code of Conduct, which outlines ethical expectations and professional standards
- The Tchai Guide for Collaborators, framing how we communicate, collaborate, and take responsibility
- The Supply Chain Code of Conduct, aligned with internationally recognized human rights principles and including anti-corruption and anti-bribery expectations
- Confidential whistleblower channels with zero tolerance for retaliation
- An open communication culture supported by self-managed teams and facilitated by regular sessions guided by Team Purple
- Long-term partnerships with key suppliers built on trust, transparency, and mutual improvement, making non-compliance cases extremely uncommon

FUTURE INITIATIVES AND TARGETS

Under **For Integrity**, we are strengthening ethical governance, communication, and collaboration by focusing on:

- Engaging clients and suppliers in joint sustainability initiatives, showing how our way of working supports responsible and ethical practices and recognizing that we can also learn from their experience, ideas, and best practices
- Publishing The Change Report in 2026, reporting over 2025 and building on the insights and baselines established through the Conscious Report, providing transparency and demonstrating measurable change
- Registering whistleblowing reports and follow-up actions from 2025 onward, handled confidentially by HR and Team Purple (with Sustainability involved only when necessary)
- Introducing a KPI to monitor the number of reports and the resolution process
- Continuing team sessions, including facilitated sessions with external professionals, to strengthen ethical behavior, communication, and collaboration
- From 2026, providing routine updates to suppliers about sustainability practices, expectations, and business developments
- Establishing a baseline for supplier satisfaction in 2026 to support long-term engagement
- Increasing supplier satisfaction by 2027 through closer cooperation, alignment, and shared sustainability objectives
- Continuous strengthening and expanding long-standing strategic partnerships with key suppliers to jointly explore efficiency gains and accelerate shared sustainability goals

Our rating system for non-compliance, Zero Tolerance, Act Now, Continuous Improvement, remains active. It is rarely triggered; all our strategic suppliers operate under local regulation and have long-standing, trusted relationships with Tchai. When action is required, structured steps and clear timelines are in place.

Senior-Level Accountability

Team Purple oversees ethical governance topics in close collaboration with HR and the Sustainability Team. **Sources:** *Tchai Code of Conduct, Supply Chain Code of Conduct, TCHAI Guide for Collaborators*

Staying true to the Integrity pillar, we also report our gender diversity ratio in accordance with ESRS C9, a disclosure from the Comprehensive module.

C9 Gender diversity ratio in the governance body (Comprehensive Module)

Reflects the way our responsibilities are organized.

Tchai does not have a statutory board or supervisory board. Strategic direction and governance rest with Team Purple, our strategic team. This team consists of two members, both women, who jointly carry responsibility for vision, culture, ethics, and long-term direction. Leadership at Tchai grows from collaboration, not hierarchy.

Tchai is a **female-owned** and **female-led** company. This leadership model reflects our belief that connection, clarity, and shared responsibility create stronger foundations than hierarchy ever could.

2024 composition of the strategic team (Team Purple)

• Total members: 2

Female: 2Male: 0

• Gender diversity ratio (female: male): 2:0

As shared in the opening message from our strategic team, leadership at Tchai is grounded in connection, shared responsibility, and conscious choice; qualities reflected in the composition of Team Purple and the way they guide Tchai forward.

CHAPTER 4

PLANET

PLANET

/'plænit/ (pronounced PLAN-it)

Noun

A large natural body that orbits a star, especially the Earth as seen in relation to the solar system.

"The planet Earth is our home."

In astronomy: any of the eight large bodies (Mercury, Venus, Earth, Mars, Jupiter, Saturn, Uranus, and Neptune) that move in elliptical orbits around the Sun.

Figurative: the world; the Earth, especially when spoken of as a place we must care for.

"We need to protect the planet for future generations."

In an ESG context, "planet" usually refers to the Earth and its environment — the natural systems we depend on, like climate, biodiversity, and resources.



Crushing Carbon and going Full Circle.

Climate Change (E1)

One of the material themes identified through our Double Materiality Assessment for Planet is Climate Change (E1). We renamed it Crushing Carbon, a name that speaks our language and reflects our way of working.

Our Environmental Policy forms the foundation of climate action across our operations and value chain. We focus on minimizing our footprint and integrating sustainability into the way we design, source, and collaborate.

C2 Transition Work for the Planet Pillar (Comprehensive Module)

To make our Climate Change work clear and easy to follow, we group all actions under the three emission scopes defined by the Greenhouse Gas Protocol. This structure shows how each part of our transition fits together:

Scope 1 covers our direct emissions,

Scope 2 our purchased energy

Scope 3 the wider value chain impacts

including procurement, logistics, and operational waste.

Scope 3 remains the category with the highest uncertainty, especially for project-based companies like ours. While we already track the most relevant categories, including transport, packaging, purchased goods and waste, data quality and completeness vary across suppliers and markets. We continue to refine our supplier data and internal tracking to improve accuracy over time.

Below is a visual overview that shows how "Crushing Carbon" comes to life across our scopes and where initiatives like **Transport & Logistics** and **WasteWise** sit within Scope 3.

Climate Change (E1) "Crushing Carbon" Diagram Scope 1, 2 and 3

SCOPE 1

Tchai fleet & mobility

Direct emissions

We're already well on our way with electric mobility.

2025–2026: Close the gap and complete the switch to a fully electric fleet powered by renewable energy.

Medium-term

Entire fleet fully electric by Q2 2026.

Long-term

All vehicles connected to Tchai (internal + external) operating on renewable energy by 2028.

SCOPE 2

Purchased energy for our facilities.

2026:

Continue improving energy efficiency in our facilities.

Long-term ambition:

Zero-emission facilities.

2050:

Maintain and refine our path toward net-zero, adjusting annually based on real results.

SCOPE 3

Indirect emissions across our value chain

Procurement & Supplier Engagement

2026: Establish a full Scope 3 baseline.

2026: Set up a structured data collection system covering 70% of procurement volumes (Merging Matters).

2027: Work with suppliers to improve energy efficiency across shared value streams.

2027 onward: Implement action plans to reduce supply chain emissions.

Transport & Logistics ← *Scope 3 confirmed*

2026: Establish a baseline for transport-related emissions.

2026: Revise logistics contracts to favour greener options, working closely with Team Yellow.

Waste Management — "WasteWise*" ←

2026: Remove construction and demolition waste from our totals (≈30%), as it sits outside our operational waste scope.

2026: Explore alternative disposal and reuse solutions to reduce environmental impact.

Together with our scope actions, we build Crushing Carbon through what we already do today—and what we're preparing for next.

Existing Practices and Policies

- Reducing environmental impact across operations and supply chain.
- Prioritizing renewable energy in our facilities and encouraging suppliers to do the same.
- Integrating life-cycle assessment (LCA) principles into design and material decisions.

These results can be translated into our Product Passport, providing transparent environmental data on a project.

Future Initiatives and Targets

- Set emission reduction goals for Scope 1 & 2, based on our established baseline.
- Develop a carbon footprint dashboard covering Scope 1, 2, and 3.
- Commit to external reporting of environmental performance starting with this report.
- From Q4 2025–Q1 2026, expand data collection for Scope 3, with a long-term goal to integrate full supply chain data.
- Continue emission reduction within packaging and logistics through the EcoPack* initiative.

*Our WasteWise and EcoPack programs are internal Tchai initiatives designed to strengthen our sustainability practices, reduce environmental impact, and support our long-term transition goals. WasteWise reinforces two sides of our sustainability work: it helps reduce Scope 3 emissions under Crushing Carbon and advances our circularity ambitions undergoing Full Circle. Both programs are designed to help teams translate sustainability principles into practical, everyday choices, from material selection to packaging and waste handling during projects and will continue to grow in influence as implementation progresses.

Senior-Level Accountability: The Sustainability Department leads climate-related initiatives, under the strategic oversight of Team Purple. **Sources**: *Environmental Policy*; *Supply Chain Code of Conduct*

Circular Economy (E5)

The other material theme identified through our Double Materiality Assessment for Planet is Circular Economy (E5). We renamed it Going full Circle, a name that speaks our language and reflects our way of working. An important part of Going Full circle is our initiative WasteWise

Circularity is becoming a natural part of how we think, design, and build.

Our Environmental Policy and Material Policy embed circular principles across every phase, from material selection to packaging, production, and logistics.

We increasingly prioritize renewable, recycled, and responsibly sourced materials, and collaborate with suppliers who share this approach.

Existing Practices and Policies

- Circular design principles are being applied more and more across our products and packaging.
- Renewable and recycled materials are increasingly prioritized in projects where technically and financially feasible.
- Waste and packaging are being reduced throughout the value chain.
- Material traceability and transparency are continuously improving through direct collaboration with suppliers.
- Integration of Product Passports, based on Life Cycle Assessment (LCA) principles, to document material origin, composition, and end-of-life options.

Our Supply Chain Code of Conduct reinforces these standards, requiring suppliers to minimize waste, reduce packaging, and ensure traceability of raw materials.

Future Initiatives and Targets

Through "Going Full Circle" and "WasteWise," we continue to evolve how we design and operate, turning circularity into everyday practice. Our key focus areas include:

- EcoPack and WasteWise: continuously improving waste stream management, packaging, and logistics.
- Build Green: advancing smarter design and material choices, embedding circular innovation into every creation.
- Expanding the Product Passport into an EcoTag, a next-generation digital tool that will share deeper environmental data and material transparency beyond the passport itself.
- Continuing to organize training sessions and workshops throughout the year, sometimes for the entire TCHAI team, sometimes with a specific focus on circular design or materials, to further embed sustainability across teams.
- Expanding partnerships that enable reuse, recycling, and repurposing of installations and materials.

To move further and faster, we are also adding:

Sustainable Materials and Practices

- In 2026, transition to using mainly water-based paints across projects.
- In 2026, increase the use of steel with at least 26% recycled content, depending on availability.
- By 2035, achieve 100% sustainable materials across all projects, guided by availability, innovation, and continuous improvement (Full Circle by 2035).

Product Innovation

- In 2026, launch the EcoTag digital product tag system, giving clients access to Product Passports, end-of-life instructions, certifications, and the wider TCHAI sustainability story.
- In 2026, reduce overall material usage by lightening the weight of our designs (Eco Infusion).
- In 2026, make design-for-disassembly and end-of-life a leading principle, including better adhesive choices and modular structures that support circular recovery.

Packaging

- In 2026, increase the use of recyclable packaging for shipping
- In 2026, collaborate with main suppliers to scale reusable transport packaging and reduce waste
- By 2026, achieve 100% recyclable packaging in all shipments.

Training and Development

- From 2025 onward, provide specialized training for designers on waste reduction and circular design practices.
- In 2026, establish clear internal waste-separation communication, supporting correct and consistent daily practices.

Senior-Level Accountability

The Sustainability Department is responsible for implementation, under the strategic oversight of Team Purple.

Sources: Material Policy; Supply Chain Code of Conduct

With the transition framework in place, we now present the Planet metrics under the VSME guidelines, beginning with the Basic Module (B3, B6, B7) and followed by the Comprehensive Module (C3 and C4).

B3 Energy and Greenhouse Gas Emissions (Basic Module)

Energy and emissions as the foundation for reduction

This section summarizes Tchai's energy consumption and estimated greenhouse gas emissions for 2023 and 2024, based on data captured through our sustainability software. The figures reflect our office operations and fleet activities and serve as the baseline for setting meaningful reduction goals in the coming years. Together, these figures give us a clear starting point. They show where we are today and make visible what until recently was only an assumption. With this foundation, we can move from measurement to meaningful reduction, setting targets that reflect both our ambition and our operational reality.

Energy Consumption (MWh)

Our organization's total energy consumption is presented below:

	2023	2024
Renewable	2	38
Electricity (Purchased)	167.88	158.61
Self-Generated (Solar) – Total Generated	2	46
Self-Generated (Solar) – Consumed On-Site	2	38
Total Energy Consumption	167.88	158.61

Greenhouse Gas Emissions (tCO2e)

Our organization's total estimated gross greenhouse gas (GHG) emissions in tons of CO₂ equivalent are as follows:

	2023	2024
Total Scope 1 GHG Emissions	194,58	187,39
Location-based Scope 2 Emissions	40,6	38,38

GHG Intensity

Our organization's GHG intensity (GHG emissions divided by turnover in Euro) is: 0,00001466 tCO₂e

These figures give us a transparent view of our operational footprint. With two years of comparable data, we can now move into the next phase: defining reduction pathways and setting formal targets. As this VSME report is finalized in Q4 2025, those targets will be confirmed and published for 2026.

B6 Water (Basic Module)

Water use within our own operations and across the value chain.

Water and Marine Resources - Non-Material Topic

Tchai's activities are not water-intensive and do not generate significant impacts on water or marine ecosystems. While this topic is therefore considered non-material, it is monitored indirectly through our *Supply Chain Code of Conduct*, which requires suppliers to ensure water efficiency and responsible water management in their operations.

Tchai's operations are not located in areas identified as high water stress, and the company does not run water intensive production processes. As such, no material water withdrawals, consumption, or discharges are reported for the year. Water remains a relevant consideration within our value chain. Under the Supply Chain Code of Conduct, suppliers are required to manage water use responsibly and ensure water efficiency in their production and facility operations.

We have also begun to integrate water related impacts into our life cycle thinking. When conducting a full LCA for selected projects, we include water footprint indicators where applicable and make this information visible in our Product Passport. This provides clients with transparency on both carbon and broader environmental impacts.

In 2026, we plan to deepen this work by exploring material choices with lower water footprints and by assessing where water related impacts may offer opportunities for improvement. Benchmarking remains challenging in our industry because every Tchai solution is unique and produced through highly customised processes. However, gaining insight into water use across materials will support more conscious design decisions in the future.

To provide a clear snapshot of our own operational water use, the table below summarises Tchai's total annual water withdrawals for 2023 and 2024.

	2023 (m³)	2024 (m³)
Total Tchai's own water withdrawals	741	928

While these volumes are low and not material to our footprint, recording them helps us maintain transparency and prepares the ground for more detailed assessments as our sustainability reporting continues to mature.

Senior-Level Accountability

The Sustainability Department, with strategic oversight by Team Purple.

Sources: Supply Chain Code of Conduct

B7 – Resource use, circular economy and waste management (Basic Module)

Embedding circularity in a design-driven environment

Tchai applies circular economy principles by step by step embedding smarter design, responsible sourcing, and waste aware decision making across the value chain. As a design and project driven organization (ISIC 741 – Specialized design activities), we do not operate a large-scale manufacturing facility. Production, fabrication, and specialized processes are handled by selected suppliers in our extended value chain. This means that most material flows and waste streams occur at supplier level rather than on our own premises. Within our own operations, we focus on the waste streams we directly influence assembly, prototyping, on site work, and logistics. Through our "Going Full Circle" and "WasteWise" initiatives, we prioritize, where possible, renewable and recycled materials, support reuse and recyclability, and work closely with suppliers to reduce packaging, optimize transport, and strengthen material traceability. Circularity is more and more embedded in design and material choices, supported by our Environmental Policy and Material Standard Policy.

To make our operational footprint more transparent, the table below summarizes the waste generated directly at Tchai facilities in 2024.

Waste generation - 2024 (kg)

(Operational waste generated directly at our Tchai facilities)

Category (2024)	Amount (kg)	Notes
Annual hazardous waste Annual non-hazardous waste	173 163,031.30	Reporting available from July 2024 onward
Total annual waste generation	163,204.30	Hazardous + non-hazardous
Waste diverted to recycling	79,428	Includes: 100% from Van Pelt + %-based recycling from Renewi

We already committed (in the circular economy section) to remove construction and demolition waste from shop disposals in 2025. This represents approximately 30% of total waste volume and will significantly improve data quality going forward.

Together, these steps strengthen our understanding of material flows within our own operations and create the foundation for clearer targets, better supplier collaboration, and more circular design decisions in the years ahead.

Relevant material flows

Tchai does not consume large volumes of raw materials directly. Material flow figures are reported using data provided by our strategic suppliers, applying the 80/20 approach to cover the suppliers that represent most of our procurement. For this reporting year, we received usable data from approximately 70% of that supplier group. Several partners were unable to deliver complete information, mainly because certain materials are complex composites or combined in production processes, making accurate breakdowns difficult.

As a result, the 2024 material overview is indicative rather than complete and cannot yet serve as a reliable baseline. Supplier reporting and data quality are expected to mature further each year, enabling more complete coverage, more detailed material categories, and a consistent baseline for future target setting.

The table below reflects the information currently available for 2024 and highlights the data gaps that will be addressed as reporting improves.

Material Inflows (kg)

Material	Weight (kg)	Material	Weight (kg)
Acrylic	100	Melamine-faced Chipboard	3,500
Aluminium	50	Metal Sheets	2,157
ALUP	68	Other Print	200
Backlit Fabric	360	PC	1,407
Blackback Classic	3.5	PETG	543
Blackback Performance	14.3	Plastic	775
Cable	650	Plywood	14,051
Edge Banding	100	PMMA GS	1,127
Fittings	1,000	PMMA XT	1,001
HPL	4,845	Powder Coating	1,675
MDF	48,575	PS	10,923
Melamine Chipboard	48,000	Solid Wood	27,642
Std Fabric Frontlit	93.5	Stainless Steel	1
Steel	33,959	Textile Sticker	68.75
Thin Magnet Sheets	150	Transformers	75
TRESPA Whiteback Fabric	77 3	Tubes / Profiles	84,390
		Total	287,584.05

Notes: All figures are reported in kilograms. Data represents inbound material flows from key suppliers. Minor rounding applied for readability.

This preliminary overview marks the starting point for more robust material flow reporting, which will be strengthened as supplier data becomes completer and more consistent.

C3 GHG reduction and climate transition (Comprehensive Module)

Turning baselines into long term climate action

Tchai is currently defining formal GHG reduction targets across Scope 1, Scope 2, and Scope 3. A complete CO₂ baseline has been established for 2023 and 2024, and these years will serve as the foundation for setting measurable reduction targets. Since 2023, Tchai's Scope 2 emissions have been zero, as all electricity purchased is sourced from certified renewable energy.

The table below reflects Tchai's current status. Long term, science aligned targets have been inserted and are now being refined. During 2025–2026 we will further sharpen these targets and link them to clear, focused actions before publication in the 2026 Change Report.

To provide a clear overview of our ambition and current position, the following table summarizes all climate related targets, including those aligned with the Science Based Targets initiative (SBTi).

GHG emission reduction targets

Scope	Main actions	Target Year	Target Value	Base Year	Base Value	Share / Notes
Scope 1 + Scope 2 (combined)	Fleet electrification; energy efficiency; renewable electricity; operational reduction program	2030	50% reduction vs baseline	2023 / 2024	194.58 / 187.39 tCO₂e (Scope 1) and 40.6 / 38.38 tCO₂e (Scope 2 – location based)	Science aligned (SBTi 1.5°C pathway)
Scope 2 (market based)	Maintain 100% renewable electricity	Achieved 2023 onwards	0 tCO₂e	2023	40.6 tCO₂e	100% eliminated
Scope 2 (self- generation)	Install on site solar or PPAs to increase autonomy	2030	5% self- generated renewable electricity	2024	0%	Supports resilience and energy independence
Scope 3 – Materials	Circular design, recycled content, supplier collaboration	2030	30% reduction in raw material carbon intensity	2023 /2024 (preliminary)	Baseline under development	Largest share of emissions
Scope 3 – Logistics	Transport optimization, consolidation, supplier alignment	2030	10% reduction in logistics emissions	2023 / 2024	Baseline under development	Achieved via collaboration
Scope 3 – Full value chain	GHG reporting integration across suppliers; data expansion	2026–2027	TBD	2026	TBD	Long term target to follow

Understanding market-based vs location based emissions

For Scope 2, Tchai reports both market-based and location-based emissions. Market based emissions reflect the electricity contracts we choose from. Because we purchase 100% renewable electricity, our market-based Scope 2 emissions are 0.

Location based emissions, however, are calculated using the average energy mix of the national grid, regardless of what we purchase. These remain slightly above zero because the Dutch grid still contains fossil-based energy. This distinction matters: it allows us to demonstrate the effect of our own purchasing decisions while also acknowledging the broader energy system we operate in. Going forward, we will continue setting improvement targets based on both methods, supporting our climate goals as well as the wider transition toward a cleaner grid.

Climate Change Targets

Tchai's climate ambition is guided by measurable, science-based principles.

Our focus is to reduce emissions across all scopes while strengthening circularity, renewable energy use, and collaboration throughout the value chain.

We have defined the following climate related targets:

- Reduce Scope 1 and 2 emissions by 50% by 2030, addressing operational energy and fuel use. This medium-term goal is aligned with the Science Based Targets initiative (SBTi) and supports the global 1.5°C trajectory.
- Maintain 100% renewable electricity annually, ensuring all purchased energy continues to come from certified renewable sources.
- Increase self-generated renewable energy to 5% by 2030, improving resilience, autonomy, and leadership in responsible operations.
- Cut raw material carbon intensity by 30% by 2030, addressing Scope 3 emissions tied to material production and sourcing.
- Reduce logistics emissions by 10% by 2030, through consolidation, smarter planning, and supplier alignment.

These targets are science aligned and consistent with SBTi guidance for limiting global warming to 1.5°C. They form the foundation of Tchai's climate strategy and will be further refined, with detailed baselines and reduction actions, in the 2025 reporting cycle.

SBTi Alignment

Tchai's targets follow the scientific principles of the Science Based Targets initiative (SBTi). However, full SBTi validation requires a complete Scope 3 baseline and documented reduction pathways. Because our full value chain baseline will be finalized in 2026, Tchai has not yet claim SBTi validation.

Until then, we transparently state that our targets are aligned with SBTi methodology, not yet SBTi approved. Once Scope 3 data is fully available, we will assess formal submission to the initiative.

Transition Plan

Tchai has not yet adopted a formal transition plan. However, key building blocks are already taking shape. Our emerging plan is being developed in parallel with our science aligned climate targets and will include:

- Defined reduction pathways for Scope 1, Scope 2, and Scope 3
- Expected investments to meet our 2030 goals
- Milestones and responsibilities across teams
- Supplier ESG data integration, including circularity, material and logistics improvements

A complete and credible transition plan requires a full Scope 3 baseline. Therefore, the plan will be formally adopted in 2026, once the value chain data set is complete and all reduction targets have been operationalized.

C4 Climate Risks (Comprehensive Module)

Understanding where climate change intersects with our work

Understanding climate risks at Tchai

Climate awareness at Tchai starts with clarity. During our 2024 Double Materiality Assessment, we examined how climate change could influence our work today, tomorrow, and further into the future. Because we design and deliver tailored, project-based solutions, we rely on close supplier relationships and resilient operations. This makes it essential for us to understand how environmental shifts, physical and regulatory, could impact availability of materials, energy prices, delivery timelines, and ultimately our financial stability.

Using CSRD aligned methodology and our ESG reporting platform, we assessed climate related risks and opportunities across our value chain. Each risk was evaluated:

Likelihood How probable is it that this risk will occur?

Magnitude/Severity What financial impact could it have?

These two factors are combined into a single score from 1.0 to 5.0, where higher scores indicate risks that require increased attention and monitoring. We complemented these scores with additional factors:

Time horizon (short, medium, long term)

Trend (increasing, stable, decreasing)

Financial dimensions (impact on financial performance, cash flow, cost of capital, access to finance)

This approach gives us a structured, transparent understanding of potential climate related vulnerabilities and opportunities. For a full overview of IROs, scoring methodology, and the narrative behind each assessment, please refer to our Double Materiality Assessment Report (2024).

How to read this table

Each risk below combines a short description with a score that reflects both probability and financial impact. "Physical" risks stem from climate change itself; "transitional" risks relate to regulation, market shifts, and stakeholder expectations.

Identified climate related risks

Risk Name	Risk Description	Туре	Score	Time Horizon	Trend	Financial Aspect
Resource Scarcity	Availability of key raw materials may fluctuate due to environmental and geopolitical pressures, increasing material costs.	Physical	3.6 (Significant) Severity: 4 (High, 5–8% of total revenue) Likelihood: 4 (Likely, 61–80%)	Medium term (1–5 years)	Increasing	Cost of capital, financial position
Energy Price Volatility	Market instability and climate policy shifts may lead to unpredictable energy price fluctuations.	Transitional	1.8 (Minimal) Severity: 2 (Low) Likelihood: 4 (Likely)	Medium term (1–5 years)	Increasing	Cost of capital
Carbon Pricing	Carbon pricing and regulatory updates across the supply chain could increase operational costs.	Transitional	2.1 (Important) Severity: 3 (Moderate) Likelihood: 2 (Unlikely)	Short term (<1 year)	Increasing	Financial performance
Supply Chain Disruptions	Extreme weather events could affect supplier operations, lead times, and material availability.	Physical	1.4 (Minimal) Severity: 2 (Low) Likelihood: 2 (Unlikely)	Medium term (1–5 years)	Increasing	Cost of capital, financial performance
Increased Cooling Costs	Rising temperatures may require additional cooling measures, affecting comfort and productivity during peak periods.	Transitional	1.8 (Minimal) Severity: 2 (Low) Likelihood: 4 (Likely)	Short term (<1 year)	Increasing	Cost of capital, financial performance
Reputational Risk	Falling behind client expectations or sustainability norms could affect trust and attractiveness.	Transitional	1.4 (Minimal) Severity: 2 (Low) Likelihood: 2 (Unlikely)	Short term (<1 year)	Increasing	Financial position, financial performance
Increased Regulatory Costs	Emerging environmental regulations may require new investments or changes in operations.	Transitional	1.8 (Minimal) Severity: 2 (Low) Likelihood: 4 (Likely)	Short term (<1 year)	Increasing	Financial position, financial performance

Climate Risks

Summary Snapshot

To make the overview of climate related risks easier to read at a glance, the table below highlights how each risk currently lands across our business. This visual does not replace the detailed assessment but complements it by showing the relative significance and direction of each risk area. It reflects the insights from our Double Materiality Assessment, carried out in 2024.

Risk Area	Assessment Summary	Status
Resource scarcity	Rising material prices linked to environmental stress and supply constraints.	Medium exposure
Energy price volatility	Policy driven fluctuations impacting energy related operational costs.	Low-medium exposure
Carbon pricing across supply chain	Potential cost increases as regulations evolve, especially upstream.	Medium exposure
Supply chain disruptions (physical risk)	Climate related events affecting supplier operations and logistics.	Medium exposure
Cooling costs & productivity impacts	Higher temperatures increasing facility cooling needs and affecting colleague wellbeing.	Medium exposure
Reputational risk	Stakeholder expectations around climate action and transparency.	Low exposure
Regulatory pressure	Anticipated compliance requirements and higher reporting expectations.	Low-medium exposure

Understanding these climate related risks helps us stay ahead of challenges and protect the way we work. Most risks today sit in a low to medium range, but the trend is upward. By staying close to where change is happening fastest, through project design, supplier partnerships, and everyday decisions, we can continue to improve how we create, source, and collaborate. As our baseline strengthens and data quality grows, these insights will directly feed into our transition planning and target setting from 2026 onward.

CHAPTER 5

PEOPLE

People

/'pi:pəl/ (pronounced PEE-puhl)

Human beings in general; the human race.

"The Dutch people are known for cycling everywhere."

Persons with whom one has social, professional, or business connections.

"She enjoys being around creative people."

In an ESG context, "people" refers to employees, communities, and all individuals affected by a company's activities, covering diversity, inclusion, well-being, human rights, and social responsibility.



Juggling Commitments, Walking the T-Track and Ensuring Wellness

Work-Life Balance (S1) Training, Skills Development (S1) and Health and Safety (S1)

The three S1 themes identified through our Double Materiality Assessment for People are: Work-Life Balance Training, Skills Development and Health and Safety. We renamed them Juggling Commitments, Walking the T-Track and Ensuring Wellness, names that speak our language and reflect our way of working.

At Tchai, people shape the way we work, not the other way around. Our Human Rights Policy, Code of Conduct, and Guide for Collaborators form our foundation built on dignity, fairness, and mutual respect. We operate through self-managed teams, where collaboration, autonomy, and transparent communication are essential. Every person has a voice, and every voice contributes to how we learn, grow, and perform together. This approach supports both well-being and long-term development, keeping our culture open, supportive, and human-centered.

C2 - Transition Work for the People Pillar (Comprehensive Module)

Existing Practices and Policies

We ensure a safe, supportive, and empowering workplace through practices such as:

- A respectful, inclusive working environment for all
- Full compliance with Dutch national labor laws and EU workplace standards
- Zero tolerance for discrimination, harassment, or unfair treatment
- Self-managed teams guided by principles from the Guide for Collaborators, fostering open dialogue and shared responsibility
- Confidential grievance and whistleblowing channels to raise concerns safely
 - Health and Safety onboarding for all colleagues, including emergency procedures and ergonomic awareness
- Periodic updates and awareness sessions on relevant Health and Safety topics whenever needed
- Ergonomic workplace design and flexible work arrangements supporting physical and mental wellbeing
- T-Track, our internal development framework, supporting personal and professional growth. Each colleague can use their T-Track to set goals, reflect on progress, and identify learning needs. It enables regular one-on-one feedback moments and access to coaching when relevant. Growth milestones, training participation, and well-being indicators are recorded and reviewed, supporting continuous learning and long-term employability.

Future Initiatives and Targets

Under For the People, we aim to further strengthen well-being, balance, and development by:

- Enhancing work-life balance through structured team sessions
- Expanding access to role-specific training, coaching, workshops, and well-being support
- Continuing to use the T-Track system to monitor development and refine qualitative indicators
- No public numerical KPIs, such as diversity ratios or minimum training hours, have been defined at this stage, but we will begin developing these going forward.
- 2026: Conducting a baseline survey focused on physical and mental safety within the own workforce to identify where support is needed
- 2026: Implementing targeted improvements based on the survey results to reinforce well-being and safety in practice

Senior-Level Accountability

HR oversees this topic, with the strategic direction and oversight of Team Purple.

Sources: Human Rights Policy, Tchai Code of Conduct, T-Track Guide, Guide for Collaborators, Health and Safety Policy.

Workers in the Value Chain (S2) Harmonizing the Chain

For People, our Double Materiality Assessment identified one S2 theme: Workers in the Value Chain. In Tchai terms, we call it Harmonizing the Chain, a name that reflects our collaborative way of working."

Tchai works closely with a trusted network of suppliers, most of whom operate within the European Union. This means they work under EU labor legislation and strict national laws that already protect workers from high-risk practices. Over the years, these relationships have grown into long-term partnerships built on trust, integrity, and shared values.

Our approach in the value chain reflects the spirit of our Conscious Report: awareness, transparency, and collaboration. We do not simply monitor from a distance; we engage, listen, and work together. Many of our partners have been with TCHAI for years and truly feel like part of our extended team.

Existing Practices and Policies

We support ethical and responsible supply chain practices through:

Tchai's Supply Chain Code of Conduct (SCCoC), outlines expectations regarding legal compliance, safe working conditions, non-discrimination, and ethical behavior across supplier operations. When a supplier does not meet these expectations, Tchai applies a clear action-and-timeline framework: issues are classified, improvement steps are defined together with the supplier, and follow-up deadlines are set. Depending on the severity, this can vary from immediate corrective action to a structured improvement plan with time-bound milestones. Persistent non-compliance triggers escalation, including reconsideration of the collaboration; although such cases are extremely rare due to the long-term relationships and alignment, we maintain with our core suppliers.

Alignment with international frameworks, including the ILO conventions and the Universal Declaration of Human Rights, used as reference standards for our SCCoC.

Supplier (self-)assessments and inspections, as defined in the SCCoC, including both announced and unannounced visits when relevant.

Awareness and transparency on working conditions: suppliers are asked whether they have policies and procedures in place for wages, working hours, grievance processes, and worker safety.

Direct conversation and relationship-based collaboration, supported by the fact that most of our main suppliers operate under EU labor standards.

Deeper sustainability dialogues initiated in 2024, with the Sustainability Team visiting key suppliers to understand their current practices, uncover strengths, and explore opportunities for joint improvement.

Commitment to support improvement, rather than enforce compliance in isolation, reflecting our belief in conscious partnership.

Future Initiatives and Targets

Under For the People, we aim to advance responsibility and transparency in our value chain by:

- Introducing a sustainability-focused supplier rating system in 2025, mapping the maturity level of each strategic supplier and identifying shared development paths
- Rolling out the visual Supplier Checklist for Tchai colleagues, including project managers and engineers, to use during supplier visits. This supports consistent observations, stronger awareness, and more conversations with suppliers.
- Introducing the 360° Audit process, carried out by the Sustainability Team and supported by Team Purple. This annual review, including supplier self-assessments, increases visibility on environmental, social, and ethical topics across our strategic suppliers.
- Using dialogue-based assessments to open deeper conversations on sustainability ambitions, material choices, and long-term collaboration opportunities
- Encouraging traceability and transparency on materials, sourcing, and environmental practices, as anchored in the SCCoC

Senior-Level Accountability: The Sustainability Team leads this topic, supported by Procurement and relevant project teams. Strategic direction is provided by Team Purple.

Sources: Tchai Supply Chain Code of Conduct, Tchai Code of Conduct, Human Rights Policy, Material Standard Policy

The following section presents our People-related metrics. In line with the VSME structure, we first report the basic module metrics (B8, B9, B10), followed by the comprehensive disclosures (C5, C6, C7), offering a clear and transparent view of our social performance.

B8 Own workforce – General characteristics (Basic Module)

including disclosure C5 - Additional workforce characteristics (Comprehensive Module)

Working together in a straightforward, human way.

This section combines the disclosures for B8 and C5. Tchai does not have additional workforce characteristics beyond those already required under B8, and therefore both disclosures are presented together in one integrated overview of our workforce structure, composition, and developments across 2023 and 2024.

People are central to the way Tchai operates.

Our workforce structure is built around clarity, shared responsibility, and short communication lines. This approach supports a stable team composition, with contract types that remain consistent year over year. Work-life balance, development, and fair treatment are embedded in daily practice rather than handled through separate programs. Because teams manage themselves, colleagues maintain a high level of ownership in their work, and collaboration remains strong across departments.

As we continue to mature our sustainability practices, we are improving how we monitor and measure well-being, safety, and development, ensuring that our approach remains aligned with the needs of our people and with regulatory expectations.

To provide a clear overview of how our workforce evolved, the section below outlines the composition of Tchai's workforce over 2023 and 2024, followed by tables that present the key indicators in a structured way.

Own Workforce - General Characteristics (2023-2024)

As of 1 January 2023, Tchai employed 54 team members. During the year, 6 new colleagues joined the organization and 7 colleagues left. By 31 December 2023, the total workforce consisted of 53 team members, of whom 46 held a permanent contract, 6 held a temporary contract, and 1 colleague worked under a non-guaranteed hours contract (zero-hours contract), offered to accommodate specific personal circumstances. In 2024, 8 colleagues joined Tchai and 4 colleagues left. By 31 December 2024, the organization employed 57 team members: 51 with a permanent contract, 5 with a temporary contract, and 1 colleague with a non-quaranteed hours contract.

To support clarity within the VSME framework:

Permanent contract:

an open-ended employment agreement without time limitation.

Temporary contract:

a fixed-term agreement linked to a specific period or project.

Non-quaranteed hours contract:

an agreement where working hours vary depending on availability and operational needs.

The table below presents these contract types clearly and consistently across both years.

Employees by contract type

Type of contract	2023	2024
Permanent contract	46	5 51
Temporary contract	6	5 5
Non-guaranteed hours contract	,	1 1
Total own workforce	53	3 57

Gender Distribution - 2023 and 2024

Tchai's gender distribution has remained steady over the past two years. Our workforce is predominantly male, something common in our sector, but representation is consistent, and every role at Tchai is shaped by equal opportunity, transparent pay, and an inclusive way of working.

The table below reflects all team members employed at year-end and provides a simple, factual view of our gender composition.

Employees by gender

Gender	2023	2024
Male	35	39
Female	18	18
Other	0	0
Not reported	0	0
Total own workforce	53	57

Turnover - 2023 and 2024

Tchai experienced normal workforce movement in both 2023 and 2024, with an overall stable development. The table below summarizes entries, exits, and turnover rates for each year.

Turnover Rate 2023 and 2024

Metric	2023	2024
Employees at the beginning of the year	54	53
Employees who left during the year	7	4
Employees at the end of the year	53	57
Turnover rate [%]	13.0%	7.6%

Turnover is calculated based on the number of colleagues who left during the year compared to the number of employees at the start of that same year. In 2023, the turnover rate was higher because seven colleagues left a workforce of 54 people; in a relatively small organization, each departure has a stronger proportional impact. In 2024, fewer colleagues left (four in total), resulting in a lower turnover rate despite the overall growth in team size by year-end.

To give an even clearer picture of how our workforce changed throughout the year, we also present joiners and leavers broken down by gender.

Workforce Movements by gender (Joiners and Leavers)

Metric	2023	2024
Male joiners	3	6
Male leavers	4	2
Female joiners	3	2
Female leavers	3	2

A stable workforce helps maintain continuity, internal knowledge, and the collaborative culture that defines Tchai.

B9 - Own workforce - Health and safety (Basic Module)

Safety is part of how we look after each other every day.

Tchai operates primarily in office, showroom, warehouse, and project-coordination environments. Our activities present low inherent health and safety risks, and preventive measures are maintained through regular safety briefings, ergonomic support, and on-site checks at supplier facilities and installation locations. To provide clarity on our current safety performance, the table below summarizes the indicators reported for the period.

Health and safety indicator

Indicator Number of recordable work-related accidents in the reporting period	Value 1
Number of hours worked by one full-time employee in the reporting period	40 hours
Total number of hours worked in the reporting period	120.640 hours
Rate of recordable work-related accidents	8.28 per 1.000.000 hours worked
Number of fatalities as a result of work-related injuries or ill-health	0

These figures confirm that incidents remain rare within Tchai's operational context. The single recordable case reported in the period did not result in long-term injury. As we expand our monitoring and supplier engagement, health and safety will continue to be tracked consistently to maintain safe conditions across all work environments.

B10 – Own workforce – Remuneration, collective bargaining and training (Basic Module)

Fairness and clarity guide how we grow and work together.

Remuneration

At Tchai fairness in pay is non-negotiable. Every Tchai member receives compensation that meets or exceeds national minimum wage requirements, and our internal pay practices show no gender pay gap, collaborators in comparable roles are paid equally regardless of gender.

We keep our approach transparent: through the T-Track, each Tchai collaborator can clearly view their own role profile, development path, and compensation progression. Personal data of others remains private, but the structure and expectations are open, consistent and easy to understand. This creates clarity, trust, and equal opportunities for growth.

The table below reflects the remuneration indicators reported for this period.

Remuneration indicators

Indicator	Value
Employees receive pay at or above applicable minimum wage	Yes
Average gross hourly pay level – male	€ 23,88
Average gross hourly pay level – female	€ 24,41
Percentage gender pay gap	2.2%

These figures confirm that our pay structure is transparent, equitable, and aligned with the way Tchai works: clear roles, equal expectations, and no systemic pay differences between genders.

Collective bargaining

We respect the legal right to freedom of association and the possibility for team members to join or engage with trade unions or representative organizations, without restriction or retaliation. Given our company size and self-managing structure, there is no formal collective bargaining agreement (CAO) in place, nor is a works council legally required. Our internal frameworks, including our Human Rights Policy, Code of Conduct, and Guide for Collaborators, ensure that concerns can be raised openly and safely. Privacy and data protection are safeguarded.

Although no employees fall under a collective bargaining agreement, we include the table below to meet VSME requirements and ensure clear, transparent reporting.

Collective bargaining indicators

Indicator	Value
Number of employees covered by collective bargaining agreements	0
Percentage of employees covered by collective bargaining agreements	0%

These elements illustrate that while no formal CAO applies, the foundations for safe, fair, and transparent dialogue are firmly embedded in how we work.

Training

Tchai invests in skills development in a way that reflects how we work: practical, tailored, and connected to real responsibilities. Training follows project needs, sustainability ambitions, and the growth path that each member is shaping through the T-Track.

This includes on-the-job learning with senior colleagues, external training in design, safety, and sustainability topics, and role-specific coaching when responsibilities expand. Because teams manage themselves, learning is not something scheduled once a year; it happens continuously, driven by curiosity, ownership, and shared accountability.

The table below summarizes the reported training hours for the period.

Training hours

Gender	Training hours
Male	6,4
Female	3,5
Other	_
Not reported	_

Average annual training hours per employee: 4,9

These figures reflect the type of learning that is characteristic of Tchai: embedded in daily practice, shaped by real work, and developing organically as people grow into new responsibilities.

Together, the disclosures for B8, B9, and B10 present a clear picture of how Tchai values and supports its people. The data shows a stable workforce, safe working conditions, fair and transparent pay practices, and learning that is integrated naturally into everyday work. As our sustainability reporting continues to evolve, these insights will help us refine how we monitor well-being, skills, and development, while keeping our way of working recognizably Tchai.

C6 – Additional own workforce information – Human rights policies and processes (Comprehensive Module)

Working together with clarity and consistency.

Respect for people is a foundation of how we work at Tchai. Our Human Rights Policy, Code of Conduct, and Guide for Collaborators apply to every team member and set clear expectations for behavior, safety, communication, and integrity. Together, these documents translate our values into everyday actions and support how we organize ourselves. These commitments reflect the way we choose to work together every day.

Why we address these topics here

This section covers areas required by VSME/ESRS standards and highlights the human rights topics most relevant to our organization. Even though the inherent risk in our industry and geographic footprint is low, we include these topics because transparency and responsible governance matter — and because our standards must apply consistently, regardless of risk level.

Our policies cover the essential areas that safeguard dignity, fairness, and safety for everyone:

CHILD LABOR

Strictly prohibited. Minimum age of employment aligned with ILO standards and Dutch labor law.

Risk context: Our operations are in the Netherlands and Europe, where child labor risks are extremely low. We still formalize this in policy because external standards require it, and because it provides clarity for all collaborators and partners.

FORCED LABOR AND MODERN SLAVERY

Not tolerated under any circumstance.

Risk context: TCHAI does not operate in high-risk regions or sectors, but we maintain this rule as part of responsible practice.

HUMAN TRAFFICKING

Explicitly prohibited.

Risk context: Low intrinsic risk in our business model and supply chain, but required to be included under ESRS, and it establishes clear expectations for all partners.

DISCRIMINATION AND HARASSMENT

Zero tolerance. We commit to inclusion, equal opportunity, and a respectful work environment for every member.

HEALTH AND SAFETY

We maintain safe and healthy working conditions through preventive measures, onboarding training, ergonomic support, regular walk-throughs in the warehouse, and early reporting of risks.

FREEDOM, DIGNITY, AND PERSONAL RIGHTS

We respect the legal right to freedom of association and the possibility for Tchai collaborators to join or engage with trade unions or representative organizations, without restriction or retaliation. Given our company size, there is no formal collective bargaining agreement (CAO) in place, nor is a works council legally required. Our internal frameworks, including our Human Rights Policy, Code of Conduct, and Guide for Collaborators, ensure that concerns, questions, and suggestions can be raised openly and safely, while privacy and data protection are fully safeguarded.

GRIEVANCE AND CONCERN-RAISING MECHANISMS

Clear and confidential channels exist for raising concerns: HR, Team Purple, or a dedicated whistleblowing channel.

To uphold these commitments, Tchai operates a structured complaint-handling mechanism through the Whistleblower Policy. Team members may report concerns anonymously. Reports are handled confidentially by HR and Team Purple, with Sustainability involved when relevant. A strict zero-retaliation principle applies: no one will face negative consequences for raising a concern in good faith.

C7 – Severe Negative Human Rights Incidents (Comprehensive Module)

A steady approach should a concern ever surface.

As required under the VSME reporting standards, Tchai discloses any incidents of severe human rights violations and explains the procedures in place should such a case ever arise. Being transparent about this is part of staying accountable, even in a low-risk context.

During the reporting period, no severe human rights incidents were identified within Tchai's own workforce. Our Human Rights Policy, Code of Conduct, and Whistleblower Policy provide a clear and structured response framework should an incident ever occur. Team members can raise concerns confidentially via HR, Team Purple, or through the anonymous whistleblowing channel. All reports would be handled with strict confidentiality, zero-retaliation, and a commitment to thorough investigation and remediation.

Across our value chain, including suppliers and partners, no confirmed incidents of severe human rights violations were reported to Tchai in the period. Although our industry and geographical sourcing present low inherent risk, our Supply Chain Code of Conduct sets expectations and defines a clear escalation pathway. If a credible case were to arise, suppliers would be required to engage in immediate corrective action. Depending on severity, this may escalate through our "Act Now" response or result in "Zero Tolerance" and potential termination of the partnership.

In all cases, Tchai commits transparent handling, cooperation with relevant stakeholders, and providing remediation where appropriate.

Together, these disclosures reflect how human rights, safety, and equality are embedded in the way Tchai works. While our risk profile is low, our standards remain high. As our reporting continues to mature, we will keep strengthening transparency, monitoring, and dialogue so that our way of working remains fair, safe, and aligned with the people who shape Tchai every day.

Conclusion CHAPTER 6

With the three pillars now complete, this first structured report offers a clear snapshot of where we stand and the direction we are moving toward. It captures our systems taking shape, our teams leaning in, and the foundations that will support the work ahead. What follows is a closing reflection, not a summary of what has been said, but an invitation to pause, look at the bigger picture, and consider how we continue this journey together.

Closing Message

From Consciousness Toward Change

Sustainability at Tchai is not a straight line. It's more like a current, steady in intention, sometimes unpredictable in practice, but one that keeps moving, shaping the shore as it goes. Working alongside Tchai has shown me that progress rarely arrives with big declarations. More often, it shows up quietly, in conversations over coffee, in teams taking ownership, in choices that seem minor but accumulate in shifting the landscape.

"Tchai shows that leadership, clarity, and softness can coexist. And that when direction comes from people who listen and lead with intention rather than ego, it creates space for everyone else to grow."

There is more to do; this report also makes that visible. Planet targets are becoming more tangible; circularity is moving from ambition into practice, and the "S," the social dimension, is ready for its next chapter. And yes, sometimes sustainability is a joyful puzzle; other times it's a knot that cannot be untangled within a single brief or a single budget. But we keep showing up for it, not perfectly, but consistently.

If this report does anything, I hope it sparks conversation. Not applause. Not defensive. Just honest dialogue about how we can keep moving. Sustainability is not the job of one person or one department; it's a collective way of thinking that becomes stronger each time someone leans in.

Here's to the year ahead, to questioning, evolving, and creating spaces with purpose. Building different.

Jill

Sustainability Integrator

APPENDIX

DMA Report

You can download our DMA Report by clicking here

Scope 2 (market-based) certificate
The certificates are included in the following slides.

Policies

All referenced policies:

- Tchai Code of Conduct
- Tchai Supply Chain Code of Conduct
- Tchai Health and Safety policy
- Tchai Human Rights policy
- Tchai Environmental policy
- Tchai Material Standard policy



Vattenfall verklaart dat de elektriciteit die Tchai International BV afneemt door duurzame bronnen is opgewekt.De Garanties van Oorsprong worden namens de eindgebruiker afgeboekt op de VertiCer accounts van Vattenfall Energy Trading NL.



Roderick Glerum Directeur Zakelijke Markt

Tchai International BV



Contractkenmerk: U23.124288-E

Volume: 335.756 kWh *

Startdatum: 1 januari 2025

Einddatum: 31 december 2026

Bron: Wind
Herkomst: Nederland

*Het weergegeven volume is indicatief. Na afloop van de verbruiksperiode kan het exacte verbruik worden vastgesteld.





Vattenfall verklaart dat de elektriciteit die Tchai International BV afneemt door duurzame bronnen is opgewekt. Met de keuze voor EuropeseWind draagt Tchai International BV bij aan een beter milieu. De Garanties van Oorsprong worden namens de eindgebruiker afgeboekt op de VertiCer accounts van Vattenfall Energy Trading NL.

Roderick Glerum

Directeur Zakelijke Markt

Tchai International BV

Contractkenmerk: U22.103782-E
Volume: 167.878 kWh
Startdatum: 1 januari 2023
Einddatum: 31 december 2023

Bron: Wind
Herkomst: Europa *

*EuropeseWind is alleen afkomstig uit Europese landen die aangesloten zijn bij de Europese organisatie voor energiecertificatie AIB.

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Vattenfall verklaart dat de elektriciteit die Tchai International BV afneemt door duurzame bronnen is opgewekt. De Garanties van Oorsprong worden namens de eindgebruiker afgeboekt op de VertiCer accounts van Vattenfall Energy Trading NL.



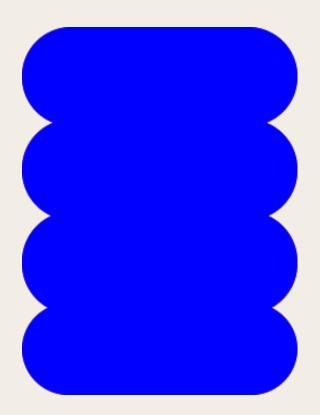
Roderick Glerum Directeur Zakelijke Markt

Tchai International BV

Contractkenmerk: U22.103782-E
Volume: 158.623 kWh
Startdatum: 1 januari 2024
Einddatum: 31 december 2024

Bron: Wind
Herkomst: Europa *

*EuropeseWind is alleen afkomstig uit Europese landen die aangesloten zijn bij de Europese organisatie voor energiecertificatie AIB.



CODE OF CONDUCT

Version: 2.1

Effective date: 28/04/2024 Related Tchai documents:

Supply Chain Code of Conduct, Human Rights Policy, Environmental Policy & Material Standard Policy

Build Different.

Tchai International B.V.

Kolenbranderstraat 24 2984 AT Ridderkerk The Netherlands

+31180 48 44 44

sustainability@tchai.nl

CODE OF CONDUCT

Tchai is committed to fostering a culture anchored in key principles. At the heart of our operations is the commitment to ethical business conduct, guided by responsibility and integrity. We prioritize making choices that are honest and ethical above all else

Core values

Our company's strength and reliability are fundamental to Tchai's identity. Maintaining our reputation by building trust and showing respect to everyone, including our employees, clients, and business partners, is critical. The success of Tchai relies on our united dedication to our goals. We pledge these principles to ourselves, our partners, and our customers.

Mandatory compliance

To safeguard our company's values and beliefs, the Tchai Code of Conduct is mandatory for everyone in the organization, covering explicit rules and foundational policies. We expect our business partners to embrace these principles as well. Upon hiring you will be asked to acknowledge your awareness, understanding, and agreement to comply with this Code and our Policies. Regardless of acknowledgment, this Code and our Policies apply to you as a condition of your employment along with the Tchai Collaboration Guide.

Responsibilities

It is the responsibility of every employee to familiarize themselves with Tchai's Code and underlying Policies. Seeking advice when necessary is crucial. Failure to comply with the Code and its underlying Policies may result in disciplinary action, including termination of employment.

Guiding principles

Tchai upholds a strong commitment to integrity, emphasizing that every individual is accountable for their actions. Whether improper or illegal, all acts have consequences. Ethical behavior goes beyond legality to include wise judgment and ethical decision-making. Just as we believe in engagement, we believe in making connections that matter. Tchai leverages design to unite people, embodying a brand's core to create experiences for everyone. Highlighting the positive.

Our mission is to improve the world by creating brand spaces that positively affect people and the planet. By establishing connections, we generate a domino effect, encouraging others towards a brighter future. This embodies the Tchi of Tchai, our positive energy that motivates our team, shapes our working style, and inspires our designs to be a force for good. By showcasing what's good, for everyone to engage with.

Ethical decision-making

When faced with dilemmas, consider the following questions:

Legality and Compliance

Is the action legal and aligned with Tchai's Code of Conduct and underlying Policies?

Business Purpose

Does it serve a legitimate business purpose?

Public Perception

Would others perceive your actions as appropriate and ethical if they were publicly scrutinized?

Reputation Impact

Have you evaluated how your decisions might affect Tchai's reputation?

Stakeholders

Have you considered the impact on customers, business partners, and employees?

Answering "yes" to these questions ensures ethical conduct. If uncertain, seek guidance from HR or team Purple. Ultimately, your actions define your accountability, emphasizing the importance of ethical behavior.

Whistleblower policy

Tchai has established a Whistleblower Policy, enabling all employees to confidentially report serious or sensitive concerns. These concerns may include misconduct, unethical behavior, violations of the Code, underlying Policies, or relevant laws and regulations. In cases where an employee, supplier, or business partner acts contrary to the aforementioned Policies, it is essential to promptly escalate these concerns following the Whistleblower Policy. No individual at any level within Tchai, whether an employee, supplier, or business partner, has the authority to request or encourage any breach of the Code, underlying Policies, or applicable legal and ethical standards. If you encounter any doubts or apprehensions regarding a potential course of action, It's recommended escalating your questions or concerns directly.

For whistleblowing, you can reach out to the following channels:

- Team Purple
- HR
- Reports can also be made confidentably via email to we@tchai.nl

It's crucial to utilize the Whistleblower function exclusively for serious or sensitive matters. Tchai ensures that regardless of the method you choose to raise your concerns, all reports can be made anonymously if you wish to do so. We highly value the assistance of employees and individuals who identify potential breaches, serious concerns, and instances of misconduct. Our commitment lies in investigating matters confidentially, thoroughly, and as fast as possible.

CODE OF CONDUCT

Tchai strictly prohibits any form of retaliation against employees and individuals who make reports in good faith concerning violations of the Code, underlying Policies, or applicable laws, rules, or regulations. This extends to those who cooperate, participate in, or assist with an investigation. Individuals who engage in retaliation will be subject to disciplinary action, up to and including termination.

Suppliers and partner expectations

We also expect our suppliers and other business partners to prioritize having similar policies and procedures for employees to raise and report serious or sensitive concerns. These concerns may include misconduct, unethical behavior, violations of the Tchai Supplier Code of Conduct, or applicable laws and regulations. Also through out our entire supply chain employees should be permitted to raise concerns and reports confidentially, without the risk of retaliation.

Workplace

Tchai is committed to fostering an inclusive, open and stimulating workplace. We recognize the value of diversity, drawing from a wide range of individuals. Our culture is shaped by the unique blend of individual differences, life experiences, knowledge, creativity, self-expression, core capabilities, and talent that our team members bring to their roles. This collective contribution plays a vital role in defining our organizational culture.

Diversity and inclusion

Tchai is committed to fostering, nurturing, and upholding a culture of diversity and inclusion. Our dedication to equal rights and opportunities for all individuals forms the cornerstone of our approach to hiring and promotions. Each of us plays a vital role in shaping the diverse and inclusive world we aspire to create. We firmly believe in providing a platform where every voice is heard. Regarding harassment and abuse, Tchai maintains a zero-tolerance policy. We do not tolerate any form of discrimination, abuse, or harassment that undermines the dignity of our employees or the communities in which we operate. Specifically, we stand against physical, verbal, sexual, racial, psychological, or any other type of discriminatory behavior. Our commitment extends to protecting individuals based on characteristics such as race, religion, color, sex, sexual orientation, national origin, ethnicity, age, marital or parental status, disability, pregnancy, or any other legally protected attribute. We actively foster a respectful and transparent environment, rejecting harsh, degrading, or intimidating treatment in any form.

Health and safety

Tchai is committed to maintaining safe and healthy working conditions for all employees. We recognize that health and safety challenges, as well as legislative requirements, vary across our value chain and the diverse countries in which we operate. From our employees we expect the following:

Report Concerns:

If you encounter harassment, abusive behavior, or health and safety risks that impact equal rights and opportunities, promptly escalate them to HR or team Purple.

Create a Positive Environment:

Promote a working environment that is free from harassment and discrimination.

Embrace Diversity:

Support a culture of diversity and non-discrimination, treating others with dignity and respect.

Inclusive Representation:

Encourage the representation of all groups and employee perspectives in teamwork and participation.

Bias-Free Practices:

Being mindful of potential bias in hiring practices, assessing candidates and employees solely based on performance.

Stay Informed:

Request information about specific health and safety risks related to your work and actively propose and participate in all health and safety training sessions that are relevant for you.

Privacy and data protection

Tchai regularly handles personal data related to both current and former employees, recruitment processes, customers, suppliers, business partners, and other individuals and entities with whom we conduct business. This personal data may include contact information, product information, transactional data, personal details, and employment-related information, as well as corporate information and organizational documentation.

All personal data must always be securely stored, with access limited to the appropriate Tchai employee(s) and only provided to them for the purposes of carrying out their role duties. Personal data should be used exclusively for legitimate business purposes and protected, used, stored, and shared in accordance with the informed and agreed-upon manner of collection, as well as applicable data protection laws. Tchai shares or discloses personal data only to external business partners and third parties who share our commitment to processing personal data legitimately and lawfully, and most of all, only if exchange is absolutely necessary. Prior to any employee sharing personal data with another employee or any third party, the employee has an obligation to understand how that personal data will be processed and ensure that the information is legally permitted to be shared. Given the complexity and variation of data protection laws, all employees are expected to refrain from engaging in activities that may contravene the requirements of applicable data protection laws. Failure to adhere to these laws carries criminal and personal liability for both the employee and Tchai. When in doubt about whether something contravenes data protection laws, employees should seek clarification from HR or Team Purple before proceeding.

Working with Suppliers

Tchai is committed to maintaining and further developing a systematic, transparent, and fair business-integrated approach to addressing ethical challenges within our supply chain.

* For further details, please consult Tchai's Supply Chain Code of Conduct Policy that outlines the ethical standards and expectations for those involved in the supply chain.

Human rights commitment

Tchai recognizes the impact of our activities on the lives of many people in our value chain. We acknowledge our responsibility to respect human rights and commit ourselves to a proactive approach to advancing these rights.

* For further details, please consult Tchai's Human Rights Policy

Environmental commitment

Tchai is committed to promoting sustainable development and responsible business practices. Tchai recognizes that our actions have both positive and negative effects on our surroundings, including the environment. We are committed to protecting the environment and continuously strive to minimize the environmental footprint of our operations.

* For further details on our initiatives to minimize our environmental impact and influence our supply chain and the retail industry, please consult Tchai's Environmental Policy

Expectations for Tchai employees

Familiarize Yourself:

Tchai employees should familiarize themselves with Tchai's Supply Chain Code Of Conduct Policy, Environmental Policy, Human Rights Policy and our Material Standard Policy.

Engage in Dialogue:

Engage in dialogue and strategic partnerships with stakeholders to continuously raise the level of sustainability knowledge and performance of our suppliers.

CODE OF CONDUCT

Conclusion

The Code provides a framework outlining how to exercise sound judgment and make the best possible decisions. However, the Code alone is not sufficient, and it takes a collaborative effort by everyone to ensure Tchai's values are achieved and our integrity is maintained. Therefore, it is important to work together and help each other to be compliant. It is equally important that you take action and share your concerns if you notice something that does not seem right. Our Code of Conduct is entangled throughout our entire company, it's part or our Tchi, it's what we believe in and proudly represent. This is how we make genuine connections and strive to inspire others to create a better world for all.

* Tchai reserves the right to make unilateral changes to the Code or our Policies at any time.

If you have any questions about our Code or our Policies, please contact us at sustainability@tchai.nl.



SUPPLY CODE OF CONDUCT

Version: 1.1

Effective date: 28/04/2024 Related Tchai documents:

Supplier Code of Conduct & Environmental Policy

Build Different.

Tchai International B.V.

Kolenbranderstraat 24 2984 AT Ridderkerk The Netherlands

+31180 48 44 44

sustainability@tchai.nl

SUPPLY CHAIN CODE OF CONDUCT

Introduction

At Tchai, we are committed to genuine connections, by design. Engagement is everything. People want to feel truly connected everywhere they go. That's why our sustainability framework has three distinct pillars – people, planet, prosperity – and finding balance within them supports our growth. While economic success is needed to fulfill and further our company's mission, we believe it exists neither in isolation from, nor is it diametrically opposed to the sustainability of people or our planet. True sustainability awaits where the benefits to the environment, society, and economics meet. And in our effort to improve our sustainability performance, we do not stop at our own company, but go beyond to our supply chain.

Our Tchai Supply Chain Code of Conduct supports and underlines our commitment to sustainability. It defines standards for fair, safe, and healthy working conditions and environmental responsibility throughout our supply chain. The standards are based on standards set or suggested by different NGOs, internationally accepted good practices, ISO, and our company values.

This code is considered an integral part of our business relationship with all our suppliers (including their sub-suppliers and sub-contractors) and forms a part of any contract or agreement between us and our suppliers. We require all suppliers we do business with to commit to the standards expressed in this Code and apply them throughout their business operations. By doing so, the Code will help ensure the safety and well-being of the people working in our supply chain and protect the planet we all inhabit.

To ensure that our suppliers comply with our Supply Chain Code of Conduct, we have them conduct self-assessments to assess how they comply with the code and we conduct (announced and unannounced) inspections of their business, e.g., their policies, procedures, and facilities. We expect all suppliers to make improvements when any of our Code standards are not met and to develop sustainable management, reporting, and tracking systems within their business to ensure ongoing compliance. Any failure to make improvements and with that comply with this Code would constitute a breach of any contract or agreement between Tchai and our supplier and may result in corrective action up to and including termination of the agreement.

We, on our side, pledge to assist our suppliers with the development on matters con cerning the standards and work together with our suppliers to move from basic to higher sustainability practices. All in order to drive meaningful change together. In the spirit of continuous improvement, the contents of this Supply Chain Code of Conduct will be regularly evaluated and if necessary modified.

Ratings and required actions

Each standard in this Code is accompanied by a rating (icon), indicating the extent to which Tchai will address any non-compliance with that standard. If a standard and its subsections have only one icon displayed, the rating applies universally. However, if different subsections have varying ratings, each will display its own applicable icon.

SUPPLY CHAIN CODE OF CONDUCT

Zero tolerance

A 'Zero Tolerance' rating is assigned to standards that, if violated, could result in severe negative impacts on individuals, life safety, the environment, and/or Tchai's reputation. Non-compliance with a standard rated as Zero Tolerance may lead to Tchai terminating the partnership without compensation.

Act now

An 'Act Now' rating is assigned to standards that, if breached, might result in negative impacts on individuals, life safety, the environment, and/or Tchai's reputation. Failure to comply with a standard rated as Act Now may prompt Tchai to cancel orders or withhold the placement of new orders until the issue is resolved. Prolonged delays in finding a solution or repeated non-compliance may elevate the rating to Zero Tolerance, potentially resulting in the termination of the partnership.

Continuous improvement

A 'Continuous Improvement' rating is assigned to standards where breaches do not immediately cause severe damage but can be improved by the supplier, leading to better management support and/or increased satisfaction/protection for employees, communities, and the environment. Non-compliance with a standard rated as Continuous Improvement can be addressed over a longer timeframe without immediate repercussions from Tchai. However, if no improvement is demonstrated in the long run (more than 6 months), the rating may be escalated to Act Now.

1. Legal Compliance, Local Laws and Cultural Sensitivity

Tchai recognizes the significance of operating within the legal frameworks and cultural contexts of the regions where our suppliers operate. Therefore, we emphasize the following principles:

- a. Suppliers are required to establish and maintain systems that ensure compliance with all applicable laws and regulations. This encompasses various legal requirements, including but not limited to labor laws, environmental regulations, and other statutory obligations. Compliance with these standards is fundamental to our partnership and undersco- res our commitment to ethical business practices.
- b. Cultural Awareness and Respect: We acknowledge the diversity of cultures and business practices across different regions. In light of this diversity, we commit to fostering cultural sensitivity and understanding among our suppliers. This entails recognizing and respecting cultural differences in business practices, communication styles, and labor relations.

By upholding these principles, we strive to ensure ethical conduct, promote legal compliance, and foster positive relationships with our suppliers worldwide.

- 2. Policy & Implementation
- 2.1. Suppliers must adopt a policy that documents their commitment to responsible business practices, which is endorsed by supplier's management and is communicated to its employees. Supplier's management shall, at least every 3 years, assess the ongoing suitability and adequacy of its business practices in achieving the policy, and implement improvement to address any gaps.
- **2.2.** Outsourcing and Subcontracting:

We require transparency regarding the use of subcontractors or outsourcing arrangements worldwide. Maintaining clear visibility into these arrangements is essential for ensuring accountability and ethical conduct throughout our supply chain.

2.3. Expansion responsible procurement practices

At Tchai, we are dedicated to extending responsible procurement practices to encompass all materials and services throughout our supply chain. This expansion goes beyond the traditional focus on raw materials to include the sourcing and procurement of all components, products, and services utilized in our operations. We recognize that ethical considerations such as labor standards, environmental impact, and social responsibility are integral to every aspect of our supply chain.

3. Child Labour

Suppliers shall not engage in or support Child Labour. Therefore, they shall not employ anyone under the age of 15. Where local law specifies a minimum working age higher than 15, all employees must be at or above the legal minimum age. An effective procedure must be in place to verify the age of potential employees prior to employment.

If a supplier employs a person between the age of 15 and 18 it must be ensured that this person:

- a. Does not conduct hazardous work, as defined by the ILO.
- b. Does not work overtime.
- c. Does not work at night.
- d. Has a minimum of 2 weekly rest days.

4. Forced Labour

Suppliers must not use forced or involuntary labor, engage in or support human trafficking, or restrict the freedom of movement of employees, whether in the workspace or on-site housing. Upholding these standards is essential to our commitment to ethical engagement.

- * For further details, please consult Tchai's Human Rights Policy
- 5. Working Hours & Wage Conditions
- 5.1. Suppliers must comply with applicable law on working hours. The normal work week, not including overtime, shall not exceed 48 hours. If overtime work is required for business needs, suppliers shall ensure that overtime work is under a voluntary overtime system, required overtime is permitted only where it is within the limits allowed under Applicable Law or Collective Bargaining Agreements. The sum of the normal work week and overtime hours shall not exceed 60 hours in a week unless defined otherwise by Applicable Law or permitted under a Collective Bargaining Agreement.
- 5.2. Suppliers must provide all Employees with at least one rest day following every six consecutive work days and all legally mandated public holidays and leave.
- 5.3. Suppliers must pay all Employees a wage on at least the applicable legal minimum plus legal benefits for a normal work week, not including overtime. Overtime shall be reimbursed at a premium rate, at least equal to that required by Applicable Law or a Collective Bargaining Agreement. Wages paid on a performance-related basis shall not be less than the legal minimum wage for a normal work week. A procedure must be in place to make sure raises in minimum wages by official authority are immediately implemented in the supplier's company.

- 5.4. Suppliers will make wage payments to Employees that are: On a regular and pre-determined basis. By bank transfer or in cash or cheque in a manner and location convenient to the Employees. Accompanied by a wage slip which clearly details wage rates, benefits, and deductions where applicable.
- 5.5. Suppliers will only make deductions from wages which are calculated following a clear and communicated process. Any deductions for disciplinary purposes are only made when permitted under Applicable Law or governed by a Collective Bargaining Agreement.
- 5.6. Suppliers that provide wage advances or loans will ensure that the interest and repayment terms are transparent and fair, and not deceptive to the Employee.
- 6. Discipline & Grievance Procedures
- 6.1. Suppliers shall ensure that Employees are not subjected to corporal punishment, harsh or degrading treatment, sexual or physical harassment, mental, physical or verbal abuse, coercion or intimidation, or threats of these towards themselves, family or colleagues.
- 6.2. Suppliers shall clearly communicate the business' disciplinary process, and related standards on appropriate disciplinary procedures and Employee treatment, and apply these equally to all management and staff.
- 6.3. Suppliers will make it clear to Employees, that they shall be free to submit a grievance, without suffering any penalty. Grievance procedures shall be designed to function effectively and reach a timely outcome, and records of Employee grievances raised, investigation processes, and outcome will be maintained.
- 7. Freedom of Association & Collective Bargaining
- 7.1. Suppliers shall respect the right of Employees to associate freely in Workers Organizations of their choice, without interference or negative consequences to them from the supplier.
- 7.2. Supplier will respect the right of Employees to collective bargaining, and will adhere to Collective Bargaining Agreements, where such agreements exist.
- 8. Non-Discrimination

Suppliers shall not practice or condone any form of discrimination in the workplace in terms of hiring, remuneration, overtime, access to training, promotion, termination, or retirement based on race, ethnicity, class, national origin, religion, disability, gender, sexual orientation, union Membership, political affiliation, marital status, pregnancy status, physical appearance, HIV status, or age.

9. Bribery and Facilitation Payments

Suppliers shall act against any form of bribery. They shall have systems in place to manage bribery risk in their organization, i.e., the identification and monitoring of those parts of the supplier's business that pose high risks of participation in bribery. Criteria and approval procedures will be set to be followed by Employees in respect of the offer and/or acceptance of gifts with third parties and appropriate controls shall be implemented to oversee all payment facilitation. Suppliers shall facilitate the reporting of (potential) bribery, where the reporter will be protected against any penalty or adverse consequences for identifying in good faith concerns related to (suspected) bribery. Suspected bribery will be investigated, and sanctions will be applied for (attempted) bribery.

10. Health & Safety

- 10.1. Suppliers shall ensure that healthy and safe working conditions are provided for all Employees and on-site Contractors in accordance with applicable law and other relevant industry standards. An effective procedure must be in place to make sure changes in applicable law are immediately implemented in the supplier's company.
- 10.2. Suppliers shall provide and maintain workplaces and on-site housing where provided, that have: Access to potable water and sanitary facilities for food consumption and storage. Enough clean and hygienic toilet facilities. Fire and other emergency safety equipment and alarms. Clearly marked, unlocked, and unblocked emergency exits and escape routes. Access to adequate power supply and (emergency) lighting.
- 10.3. Suppliers shall assess the Risks of their specific workplace hazards and implement controls to minimize the Risks of accidents and injury to Employees and on-site Contractors.
- 10.4. Suppliers shall provide Employees and on-site Contractors with a mechanism, by which they can raise and discuss Health and Safety issues with management.
- 10.5. Suppliers shall provide training and information about Health and Safety to Employees and on-site Contractors in an understandable form and in an appropriate language. This will include: Specific job-related Health and Safety hazards and controls, among others the safe use of operating applicable machines and working with chemicals. Appropriate action to take in the event of an accident or emergency.

Appropriate training in fire safety and emergency procedures. First-aid training to designated Employee representatives. Employee and Contractor awareness that they have the right and responsibility to stop work or refuse to work in situations that have Uncontrolled hazards, and to immediately bring these situations to the attention of those at imminent Risk and to management.

10.6. Suppliers shall ensure that appropriate and current Personal Protective Equipment (PPE) is provided free of charge and verify that it is worn and used correctly.

- 10.7. Supplier shall ensure that equipment is set up with all necessary safety measures, routinely inspected, and properly maintained.
- 10.8. Suppliers shall provide access to clearly marked first-aid provisions and trained first-aid personnel and have appropriate procedures in place for transportation to local medical facilities in the case of a medical emergency.
- 10.9. Suppliers shall establish emergency procedures and evacuation plans for all reasonably foreseeable emergencies, which are clearly displayed, regularly tested (including evacuation drills), and periodically updated.
- 10.10. Suppliers shall maintain an inventory of hazardous substances at facilities. Safety data sheets (or equivalent) shall be accessible where all hazardous substances are in use and their associated risks and proper way of handling, storing and disposing shall be clearly communicated to all employees and contractors who work with them.
- 10.11. Suppliers shall investigate health and safety incidents and feed the results into reviews of the controls of related Hazards to identify opportunities for improvement.

10.12.

Mental Health:

Tchai promotes and encourages our suppliers to prioritize mental health within their own supply chains. We advocate for the provision of access to mental health resources and support services for all workers. This includes initiatives such as counseling services, stress management programs, and awareness campaigns aimed at fostering a positive and supportive work environment where the mental well-being of individuals is valued and promoted.

10.13.

Intellectual Property and Data Security/Privacy:

Given our production footprint globally, safeguarding intellectual property (IP) and ensuring data security and privacy for all stakeholders involved is paramount. We oblige our suppliers to handle everyones data responsibly and prioritize the privacy of all parties throughout the supply chain.

10.14.

Personal/Professional Development:

Tchai encourages and supports our suppliers to provide opportunities for personal and professional growth within their workforce. We advocate for investments in skills development, training programs, and career advancement pathways for workers. By empowering individuals to enhance their capabilities and reach their potential, we aim to contribute to the creation of a workforce that is not only productive but also fulfilled and engaged in their roles.

- 11. Environmental Management
- 11.1. Suppliers must develop a mechanism to regularly review and implement applicable environmental legislation, regulations, and codes of practices applicable to their facilities.
- 11.2. Annually, suppliers shall identify and rank all environmental aspects (both direct and indirect) of its core activities (e.g., production process steps), its auxiliary services that support the core activities (e.g., cooling, maintenance), and its products (e.g., (raw) material used, packaging). Advised is to involve a cross-functional team from key areas of the supplier's operation since all parts of the company's operation have to be considered.
- 11.3. From all aspects identified, suppliers shall determine their significant environmental aspects for improvement. In assessing the significance they must consider:

Potential to cause environmental harm / Size and frequency of the aspect / Importance to the stakeholders of the organization / Requirements of relevant environmental legislation.

11.4. For the significant environmental aspects selected to be improved, suppliers must conduct baseline measurements and define performance objectives and targets. Suppliers shall work towards best environmental practices, for at least: Efficient use and responsible sourcing of raw materials, where:

Suppliers shall ensure that the loss of raw material during the production process is reduced to their best extent.

Enhancing Material Traceability Requirements:

At Tchai, we recognize the critical importance of material traceability in ensuring transparency and accountability within our supply chain. Therefore, we are committed to strengthening the requirements for material traceability across all stages of our supply chain.

This entails that suppliers must conduct due diligence on the source of their raw mate- rials, ensuring that it is responsible and inform Tchai on this due diligence upon request. By enhancing material traceability, we aim to minimize the risk of unethical practices such as counterfeit materials, unauthorized sourcing, and environmental violations and create more transparency on ethical sourcing.

To achieve this goal, we will work collaboratively with our suppliers to establish stringent criteria and standards for ethical procurement across all categories of materials and services. This includes conducting thorough assessments and due diligence to ensure that our suppliers adhere to these principles in their sourcing and production processes.

Carbon footprint reduction

Where: Suppliers shall conduct a comprehensive audit on their current emission and set ambitious goals for continuous carbon reduction at least in scope 1 (all direct GHG emissions) and 2 (indirect GHG emissions from consumption of purchased electricity, heat, or steam) as stated in the GHG protocol.

(Hazardous) Waste minimization

Where: Suppliers shall responsibly manage the identified wastes by applying the principles of reduce, recover, re-use, and recycle to reduce environmental impact where applicable.

Suppliers shall not use chemicals and Hazardous Substances subject to international bans due to their high toxicity to living organisms, environmental persistence, or potential for bioaccumulation, irreversible ecological impacts, or depletion of the ozone layer. Suppliers shall employ alternatives to other Hazardous Substances used in business processes wherever technically and economically viable.

Water efficiency

Where: Suppliers shall ensure the efficiency of their production process as well as their facility's general operations in regards to the use of water.

Packaging reduction

Where: Suppliers shall ensure that the minimal amount of packaging material with the least environmental burden is used for packing individual products and the total product shipments.

- 11.5. Suppliers shall provide general environmental awareness training for all employees and task-specific environmental training where needed.
- 11.6. Suppliers must develop an internal communication mechanism to sustain awareness and responsibility for environmental system maintenance.
- * For further details on our initiatives to minimize our environmental impact and influence our supply chain and the retail industry, please consult Tchai's Environmental Policy

Conclusion

At Tchai, we believe in fostering genuine connections not only within our own organization but also throughout our entire supply chain. Through our designs and creations, we strive to ensure that we engage meaningfully with all stakeholders involved. Our commitment to creating bonds extends beyond borders and industries, as we work together to move towards sustainable practices.

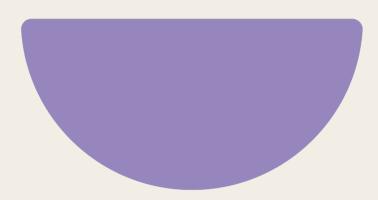
SUPPLY CHAIN CODE OF CONDUCT

Final Note

Contact us, if suppliers are violating any of these Code elements, we would like to know about it. Please bring these issues to our attention by contacting us at we@tchai.nl. Please feel free to write in your local language. All information we receive will be kept in strict confidence and your identity protected.

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If you have any questions about our Code or our Policies, please contact us at sustainability@tchai. nl.



HUMAN RIGHTS POLICY

Version: 1.1

Effective date: 28/04/2024 Related Tchai documents:

Code of Conduct & Supplier Code of Conduct

Build Different.

Tchai International B.V.

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Objective

Adressing the evolving human rights landscape and reflects the diverse perspectives and Tchai recognizes the fundamental importance of human rights as a cornerstone of its business ethos. In compliance with human rights laws and standards, this policy is a testament to our dedication to safeguarding these rights, both within our operations and throughout our entire value chain.

Scope

Tchai recognizes the significant impact its activities have on various individuals within our value chain and acknowledges the responsibility to uphold human rights. We are committed to a proactive approach in advancing these rights through Tchai's Human Rights Policy and underlying guidelines, along with our due diligence efforts. Our commitment to human rights spans across all aspects of Tchai's operations, including its extensive supply and subsupply chains worldwide. We expect all individuals within the Tchai network, including employees, suppliers, and third-party partners, to actively adhere to the principles outlined in this policy. Respecting human rights throughout our value chain, we strive to prevent any adverse impact on people, communities, and society.

Roles and responsibilities

The Tchai Sustainability Department, along with HR and Team Purple, are entrusted with the stewardship of this policy. The enforcement and supervision of our human rights commitments are dispersed amongst pertinent roles within the company, guaranteeing an integrated approach to human rights within Tchai.

General commitments

Tchai is dedicated to upholding human rights as recognized by international frameworks. Through diligent practices, we strive to proactively prevent any negative consequences regarding human rights. Our commitment extends to establishing standards for fair, safe, and healthy working and living conditions throughout our supply chain. These standards draw from recommendations by reputable NGOs, internationally accepted best practices, and our own company values.

Key stakeholders

In the development of this Human Rights Policy, Tchai engaged in comprehensive consultations with a wide range of stakeholders. This inclusive process ensures that the policy addresses the real and pressing human rights challenges to the people affected by our operations and supply chain. We sought input from our employees, customers, suppliers and experts. This policy is dynamic and subject to ongoing improvement informed by yearly stakeholder feedback. This is critical to ensuring that it remains relevant and effective in adressing the evolving human rights landscape and reflects the diverse perspectives and needs of all those involved with or affected by by Tchai's activities.

HUMAN RIGHTS POLICY

Policy statement

Tchai is dedicated to ongoing vigilance in identifying and addressing critical human rights issues, continuously striving to enhance our efforts and develop effective mitigation strategies. Our focus encompasses a range of areas, including but not limited to, facilitating access to grievance mechanisms, eliminating child and young labor, promoting equality and non-discrimination, protecting freedom of association, and eradicating modern slavery and forced labor.

* For further details, please consult the relevant sections in the Tchai Code of Conduct and the Tchai Supply Chain Code of Conduct.

Commitment to diversity and inclusion

At Tchai, we deeply value diversity and inclusion, considering them essential components of our organizational ethos as outlined in our Code of Conduct and Supply Chain Code of Conduct. We are committed to providing equal rights and opportunities, ensuring that our recruitment and promotion processes reflect these principles. Our unwavering Zero Tolerance Policy and Act now policy against any form of harassment or discrimination underscore our dedication to upholding the dignity of every individual and fostering a workplace culture where every voice is respected and valued. For a comprehensive overview of our approach to diversity and inclusion.

* For further details, please consult the relevant sections in the Tchai Code of Conduct and the Tchai Supply Chain Code of Conduct.

Supply chain commitment

Tchai recognizes the pivotal role its supply and subsupply chains play in maintaining human rights standards. We are dedicated to ensure that our suppliers and their subcontractors are in alignment with our human rights policies and practices. This pledge encompasses conducting evaluations of our suppliers' human rights adherence, providing necessary assistance and cooperating to rectify any issues that are identified. Our aspiration is to cultivate a supply chain that not only complies with human rights norms but also actively promotes the progression of these rights.

* For further details, please consult the relevant sections in the Tchai Supply Chain Code of Conduct.

Implementation

Acknowledging the necessity of continuous human rights due diligence, Tchai is resolved to weave human rights considerations into our business judgments and operational procedures, especially within our supply and subsupply chains. Providing human rights information to our employees and relevant associates, coupled with consistent reporting on our advancements, is integral to our execution strategy.

HUMAN RIGHTS POLICY

Reporting and addressing human rights violations

Tchai's commitment to human rights is reinforced by our Whistleblower Policy for our own employees, as detailed in the Tchai Code of Conduct that provides a secure channels for reporting violations or concerns related to human rights infractions. Suppliers and partners are encouraged to report any such issues through their established reporting mechanisms.

* For full details on the reporting process, please refer to the Whistleblower section in the Tchai Code of Conduct.

Conclusion

The Tchai Global Human Rights Policy is a reflection of our commitment to human rights. By adhering to and fostering human rights, we aim to contribute to a better world through the environments we create and the connections we establish, thereby ensuring a beneficial impact on individuals and the ecosystem at large.

* Tchai reserves the right to make unilateral changes to the Code or our Policies at any time If you have any questions about our Code or our Policies, please contact us at sustainability@tchai. nl.



ENVIRONMENTAL POLICY

Version: 1.1

Effective date: 28/04/2024 Related Tchai documents:

Code of Conduct, Supplier Code of Conduct & Material Standard Policy

Build Different.

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ENVIRONMENTAL POLICY

At Tchai, we're committed to creating spaces that not only bring people together but also champion sustainable responsibility, reflecting on our vision for a greener future. Our approach goes beyond mere compliance; it's an embodiment of our guiding principle, the Tchi of Tchai, which integrates environmental, social, and governance (ESG) considerations into every brand space we design. Our goal is ambitious yet deeply personal: by 2030, we aim to inspire every brand we work with to positively impact both people and the planet, setting new sustainability benchmarks.

Through our designs, we seek to capture and convey the unique positive force—Tchi— of each brand, crafting immersive experiences that connect with consumers on an emotional level while promoting sustainability. We are dedicated to showcasing the good within each project and making it accessible, furthering our mission to create a better world through impactful design.

Aligned with our mission, Tchai is committed to minimizing our impact on the environment and actively addressing climate change. Our environmental footprint is largely influenced by our (raw) material sourcing and production processes. Our strategy promotes responsible practices within our operations and direct supply chain, with the aim of encouraging similar actions throughout the broader supply chain. We commit to using the best available science, including life-cycle assessments for materials and products, to guide our approach.

To continually reduce our environmental impact, Tchai will:

- Collaborate with manufacturers that implement, maintain, and improve processes and systems with minimal environmental impact and meet international standards.
- Establish specific measurable goals (Key Performance Indicators) to reduce the negative impact of our actions and minimize our environmental footprint.
- Prioritize the use of renewable energy and enhance the environmental practices of our suppliers.
- Embrace circularity principles where possibile in design, production, and sourcing.
- Prioritizing renewable, recycled, or sustainable materials.
- Engage in dialogues and initiatives aimed at improving the environmental performance of the display-producing industry.
- Adhere to applicable laws, regulations, and commitments.
- Report our environmental performance externally on an annual basis, starting from the year 2025.
- Provide our customers with information on the environmental impacts of our products.

All Tchai employees are expected to:

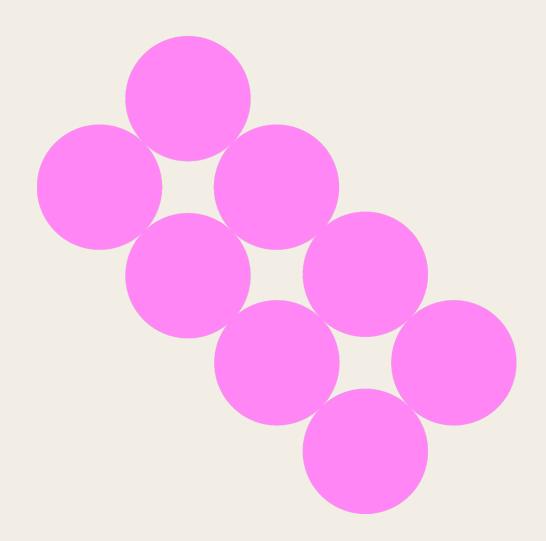
- Practice environmental responsibility in their daily activities.
- Participate in environmental training and initiatives.

ENVIRONMENTAL POLICY

We expect all Tchai team members to embody environmental responsibility in their work and personal actions, engage in our environmental programs, and adhere to our policies, which take precedence over national laws when stricter. Any concerns regarding policy breaches should be communicated through HR, Team Purple, or our whistleblowing hotline, as necessary.

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MATERIAL STANDARD POLICY

Version: 1.1

Effective date: 28/04/2024 Related Tchai documents:

Supplier Code of Conduct & Environmental Policy

Build Different.

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MATERIAL STANDARD POLICY

Tchai transforms brand essences into immersive designs and spaces, making every interaction an experience. We specialize in developing impactful retail and hospitality solutions, from innovative store concepts to beautiful prorelated duct showcases. Our full-service approach covers strategy, design, production, and maintenance, all underpinned by our commitment to sustainability through our Material Standard Policy.

Our commitments

Tchai is committed to minimizing the negative impacts on the environment, society, and communities resulting from our use of materials in display manufacturing, packaging, in-store installations, and all other Tchai products. Our aim is to adopt a circular business approach and remain compliant with sourcing regulations to ensure adherence to applicable laws.

Our goal

Our goal is to minimize environmental impact without compromising performance. This policy outlines our approach to material selection, focusing on integrating eco-conscious materials where possible, with low carbon footprints, high recyclability, and minimal environmental impact throughout their lifecycle, while maintaining product integrity and functionality.

We recognize the importance of reducing the environmental, societal, and community impacts of the resources and materials used in our products. To achieve this, we strictly adhere to laws, rules, and standard requirements regarding raw material sourcing. This standard aims to create awareness and understanding among our employees and suppliers about sustainable material sourcing practices.

Our scope

This Materials Standard policy guides the principles and standards Tchai employs in using materials for its products and solutions, including packaging, displays, and in-store installations. It covers two main categories of materials: those used in creating Tchai environments or products, and those used in our packaging. Suppliers are required to comply with this policy, and it applies to all Tchai employees, suppliers, and partners.

Our materials

Tchai utilizes a range of raw materials, with a focus on metals and woods for our solutions, supplemented with natural materials where possible. Our packaging primarily consist of sustainable or recycled sourced wood, paper and plastics. We are committed to increasing the use of sustainable materials with each new project and design.

MATERIAL STANDARD POLICY

Prioritization of materials

Aligned with our sustainable vision, Tchai's Materials Standard prioritizes renewable or recycled materials, followed by sustainably sourced alternatives. Our choices are based on regulatory compliance, increasing the use of renewable or recycled sources, and minimizing dependence on materials that do not meet our or international standards. We also aim to ensure that our production processes utilize renewable energy whenever possible.

Through our Material Standard Policy, we uphold our commitment to creating visually stimulating and sustainable brand spaces. We take pride in crafting experiences that are not just seen but felt, ensuring that our brand stories resonate with authenticity and responsibility. While sustainable materials are prioritized, we acknowledge that this isn't always feasible, and we strive to minimize environmental impact wherever possible.

- * Should there be any discrepancies between this document and local laws or amendments, the stricter regulation will take precedence.
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