

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



OUTFORMTM

A MESSAGE FROM OUR CEO

At Outform, we believe that sustainability is more than a responsibility—it's an opportunity to shape the future of retail through innovation, ethical leadership, and conscious decision-making. As a company that creates impactful brand experiences, we recognize the profound role we play in building a more sustainable and responsible supply chain.

This ESG policy reflects our commitment to environmental stewardship, fair labor practices, and strong corporate governance. We hold ourselves and our partners to the highest standards—ensuring that sustainability is not just a statement, but a measurable part of how we design, manufacture, and deliver solutions. We understand that true progress requires collaboration and accountability. That's why we are working closely with our teams, suppliers, and clients to drive meaningful change, from reducing our environmental footprint to ensuring ethical labor conditions across our operations. Sustainability is a continuous journey, and this policy is a foundation for the path ahead. We are committed to transparency, innovation, and taking real action to make a lasting impact.



Ariel Haroush
CEO, Outform Group

OUTFORM ESG POLICY 2025

1. ESG Vision Statement

Outform is committed to responsible business practices that integrate sustainability, ethical labor standards, and governance integrity into all aspects of operations. Our approach prioritizes practical, measurable actions that drive sustainable outcomes while maintaining the flexibility to adapt to evolving market and regulatory requirements.

This ESG policy serves as a framework for environmental responsibility, fair labor practices, and ethical governance across our supply chain and internal operations. Our commitments reflect verified internal policies and supplier agreements, ensuring that we remain accountable and transparent in our sustainability journey.

2. ESG Governance and Leadership

Outform has established an ESG Steering Committee responsible for overseeing the continuous improvement of sustainability initiatives. This committee is led by:

- **Michael Toro**, Chief Operating Officer
- **Barb Bridger**, Chief Human Resources Officer
- **David Littlefield**, Managing Director EMEA

The committee's responsibilities include:

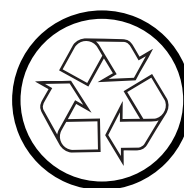
- Aligning ESG priorities with Outform's business objectives
- Monitoring progress on sustainability initiatives and supplier compliance
- Ensuring transparency in ESG reporting and stakeholder communications
- Addressing challenges and opportunities in sustainability across operations and supply chains

Sustainable Materials & Processes

- Eliminate solvent-based varnishes and replace them with water-based varnishes by the end of 2025
- Implement a process to offer recyclable materials to customers by the end of 2024



Solvent Free



Recyclable materials



3.2 Certifications and Accreditations

Outform and its supply chain partners maintain key environmental and ethical certifications, including:

- **ISO 14001 Environmental Management System** – Ensuring compliance with environmental regulations and structured sustainability practices
- **FSC Certification** – Supporting responsible forest management for wood and paper-based materials
- **SEDEX/SMETA (SEDEX Members Ethical Trade Audit)** – Ensuring social and ethical compliance in the supply chain
- **ECOVDIS** – Evaluating environmental, social, and governance performance to ensure Outform meets global sustainability expectations



3.3 Environmentally Friendly Materials

Outform prioritizes the use of materials that minimize environmental impact and contribute to a more sustainable supply chain.

- Work with suppliers to identify and integrate recycled and responsibly sourced raw materials into products
- Promote the use of non-toxic, low-impact adhesives and coatings in product manufacturing
- Reduce reliance on virgin plastics by increasing the use of alternative bio-based or recycled materials where feasible
- Encourage clients to adopt eco-friendly material selections in retail design projects
- Ensure material compliance with applicable sustainability and environmental standards



3.4 Sustainable Supply Chain Requirements & Commitments

Outform's sustainability commitments are outlined in its Sustainable Supply Chain Policy, ensuring that suppliers meet high environmental, ethical, and labor standards.

Outform requires all suppliers and business partners to:

- Environmental Responsibility
- Implement environmental goals for minimizing utility consumption, including energy, gas, and water usage.
- Provide full transparency into material sourcing, production processes, and environmental impact.
- Avoid the use of hazardous or restricted substances that could harm human health or the environment.
- Develop continuous improvement plans to increase the use of environmentally friendly materials in their supply chains.

75%

of **metal supplier** must source steel for components containing more than 10% recycled raw material,

50%

of **metal suppliers** must have defined objectives in health and safety, ethics and HR policy compliance

Sustainability Targets for Key Metal Suppliers

- 50% of key metal suppliers must have defined objectives in health and safety, ethics and HR policy compliance.
- By the end of 2025, all key metal suppliers must conduct at least one training or educational campaign per year for employees on waste separation or minimizing utility consumption.
- 75% of key metal suppliers must source steel for components containing more than 10% recycled raw material, with a goal of reaching 100% by the end of 2025.
- By the end of 2025, all key metal suppliers must introduce eco-stretch film into their packaging to reduce plastic waste.
- By the end of 2024, at least three suppliers must trade in returnable pallets to reduce single-use materials.

Ethical and Compliance Standards

- Follow ethical sourcing guidelines and sustainability best practices in their operations.
- Ensure compliance with international labor laws and environmental regulations.
- Work toward certifications such as SMETA and Ecovadis, with a goal of increasing the number of certified suppliers.



3.5 Carbon Footprint & Energy Efficiency

Outform continuously monitors and reduces its CO₂ equivalent emissions through targeted actions:

- In 2023, emissions decreased by 10% year-over-year, totalling a reduction of 94,000 kg of CO₂ compared to 2022.
- Our goal is to reduce our carbon footprint by 12% by 2025 compared to 2022 levels.

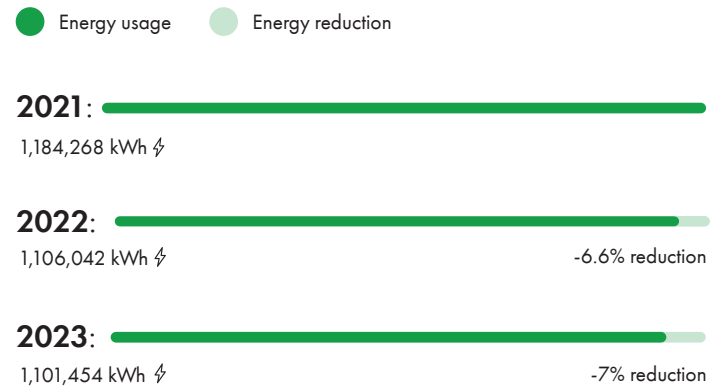
Reduction strategies include:

- Lowering energy and gas consumption and rationalizing fleet usage
- Encouraging employees to use sustainable transport, including the Outform Bike Challenge and Outform Run Challenge

3.6 Electricity, Gas, and Utility Consumption

- Since 2022, electricity consumption has been reduced through automated lighting control in production, with a minimum reduction of 10,000 kW per year.

Outform's total annual energy consumption:



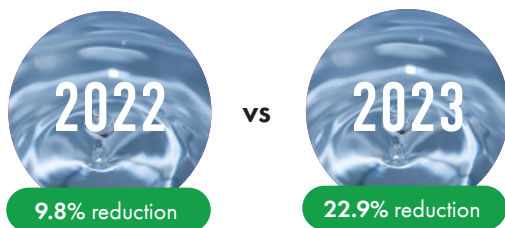
Water consumption reduction vs. 2021:

- **2022:** 9.8% reduction
- **2023:** 22.9% reduction

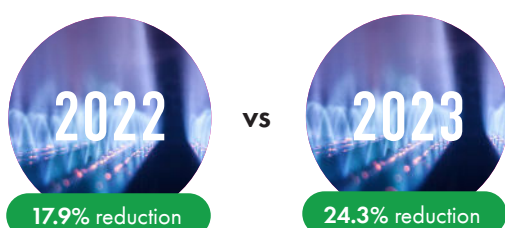
Gas consumption reduction vs. 2021:

- **2022:** 17.9% reduction
- **2023:** 24.3% reduction

Water consumption vs. 2021:



Gas consumption vs. 2021:



3.7 Waste Monitoring & Reduction

- Implement tracking systems to monitor and report waste generation and disposal in production facilities
- In 2023, total waste generation decreased by 22% vs. 2021 and 11% vs. 2022.
- Our goal is to reduce production waste by 25% by 2025 compared to 2021 levels.
- Outform does not release industrial wastewater or pollutants into water sources.

Additional waste reduction commitments include:

- Eliminating polystyrene buffers for cyclical projects by 2024
- Introducing at least one type of eco-friendly packaging by 2024

Launching an annual ECO-WEEK campaign, including:

- Electronic waste collection
- Pro-environmental initiatives for employees



4. Social Responsibility

Outform is committed to ensuring that all employees and supply chain partners operate under ethical labor conditions that uphold human rights, work place safety, and fair compensation.

4.2 Human and Workplace Rights

- **Forced Labor:** Outform strictly prohibits any form of forced, bonded, or involuntary prison labor. Employees must work voluntarily and be free to leave their employment upon reasonable notice.
- **Hours of Work:** Suppliers must comply with all applicable laws on working hours, including overtime limits, rest days, and leave entitlements.
- **Wages and Benefits:** All workers must be paid at least the legally mandated minimum wage, including applicable overtime compensation and benefits required by law.
- **Humane Treatment:** Outform maintains a zero-tolerance policy against physical abuse, threats, harassment, or any form of inhumane treatment in the workplace.

- **Freedom of Association and Collective Bargaining:** Employees must have the right to form, join and bargain collectively through trade unions or worker organizations without retaliation.
- **Working Contracts:** All employees, including temporary and migrant workers, must be provided with clear, written contracts outlining their rights and responsibilities.

4.3 Workplace Safety and Health

- **Working Conditions and Health & Safety:** Suppliers must ensure a safe, clean and hazard-free work environment, complying with all local and international safety regulations.
- **Industrial Hygiene:** Proper ventilation, protective equipment, and hazardous material management must be in place to minimize occupational risks.
- **Physically Demanding Work:** Employers must take precautions to prevent workplace injuries caused by repetitive movements, heavy lifting, or prolonged standing.



4.4 Conflict Minerals Policy

Outform is committed to responsible sourcing of raw materials and eliminating conflict minerals from its supply chain.

- Require suppliers to disclose mineral sourcing data to ensure compliance with responsible sourcing standards
- Conduct due diligence on gold, tin, tungsten and tantalum supply chains to prevent funding of armed conflicts
- Work with third-party auditors to verify that suppliers meet ethical mineral sourcing standards

4.5 Supplier Improvement and Risk Management

- Establish a graded risk-based supplier evaluation system to categorize suppliers based on ESG compliance performance
- Require sustainability contracts with enforceable penalties for suppliers who fail to meet ethical labor and environmental expectations
- Strengthen supplier development programs to help partners improve their ESG performance over time

5. Governance and Ethical Business Practices

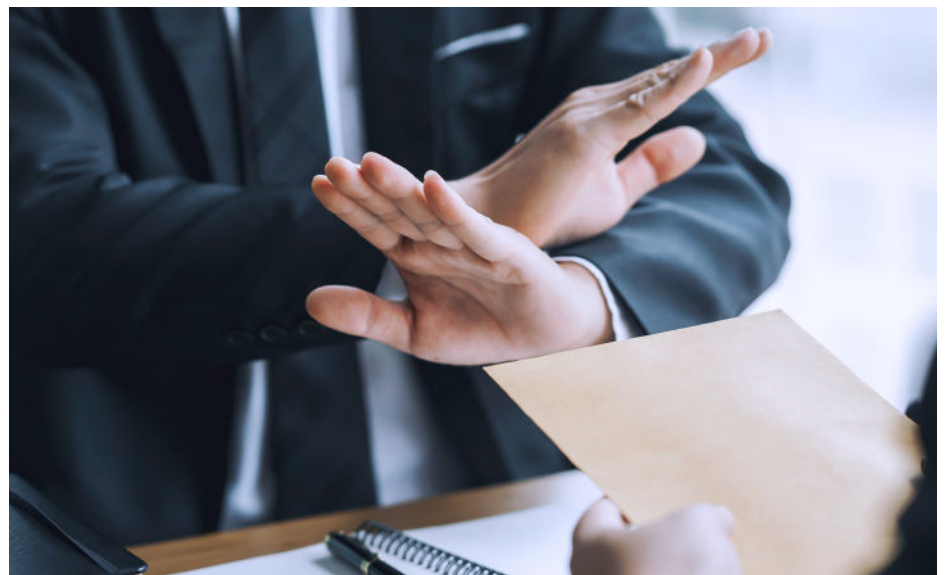
Outform upholds the highest standards of corporate integrity, anti-corruption compliance and responsible business operations.

5.1 Corporate Governance and ESG Compliance

- Conduct internal ESG compliance audits to assess progress and address any deficiencies
- Ensure all stakeholders receive clear, transparent ESG disclosures
- Work with supply chain partners to improve reporting accuracy and ESG compliance measures

5.2 Anti-Bribery and Corruption Compliance

Outform prohibits any form of bribery, facilitation payments, or unethical business transactions. All employees and business partners must adhere to Outform's Anti-Bribery and Corruption Policy, with violations subject to disciplinary action.



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Dare to Innovate

OUTFORM™