

Caring for Future Generations

Sustainability is ingrained in our business. Our parenting essentials are crafted for durability, ensuring they can be passed down. We are dedicated to minimizing our climate impact and maintaining ethical practices throughout our entire supply chain.



BabyBjörn

Sustainability Report 2023

BabyBjörn AB | Financial Year 2023

Sustainability at Babybjörn

Our business idea

BabyBjörn develops safe and innovative products for families with small children. Our customers are primarily expectant families and families with children up to the age of three. Our products are sold through distributors, resellers and our own online shop, and they are manufactured by external suppliers in Sweden, Turkey, China, Bulgaria and Vietnam.

“To make life easier for families with small children by developing safe and innovative products of the highest quality for children up to three years.”

Caring for Future Generations

Sustainability is not a tagline for us; it's ingrained in our business. We've been creating long-lasting products with a distinct purpose that can be passed down since 1961.

Yet everything we do impacts our planet and its inhabitants and we're dedicated to minimizing our climate impact and maintaining ethical practices throughout our entire supply chain.

Key developments in 2023

We teamed up with external sustainability experts and followed the principles of the Greenhouse Gas (GHG) Protocol to figure out our climate impact for 2022. We did it again in 2023, and we'll keep doing it every year. It's our way of staying in the loop, learning as we go, and setting goals that truly make a difference.

We set a goal to reduce our carbon footprint by 50% by 2030 compared to 2022. This target is in line with the United Nations Paris Agreement's requirement to limit global warming to 1.5°C.

We have stepped up our third party audit program in two ways; extending the scope of our third party audits of our Tier 1 suppliers to also include environmental aspects and including Tier 2 suppliers in the audit program to enhance the focus on safe and fair conditions throughout the value chain.





Environment

We're committed to developing circular products with a distinct purpose, impeccable functionality, and a long lifespan. Products that can be passed down and used by several children.

How do we do this?

1. Timeless Design

The designs, prints, and colors of our products are intentionally timeless. This ensures that our products remain relevant and stylish for years to come, and don't become outdated.

2. Durable Materials

In terms of durability, we select high-quality materials that can withstand the wear and tear of everyday life, ensuring our products stand the test of time.

3. Adjustable Carriers

Our carriers are designed to adapt and grow with your baby, effortlessly adjustable for you, your partner, friends, and extended family. This adaptability allows multiple users to utilize the same carrier simply by adjusting it to fit properly.

In essence, our mission is to provide you with not just products, but companions on your parenthood journey—crafted with care, meant to last, and adaptable to the beautiful chaos of family life.

“Sustainability is ingrained in our business. We’ve been creating long-lasting products that can be passed down since 1961.”

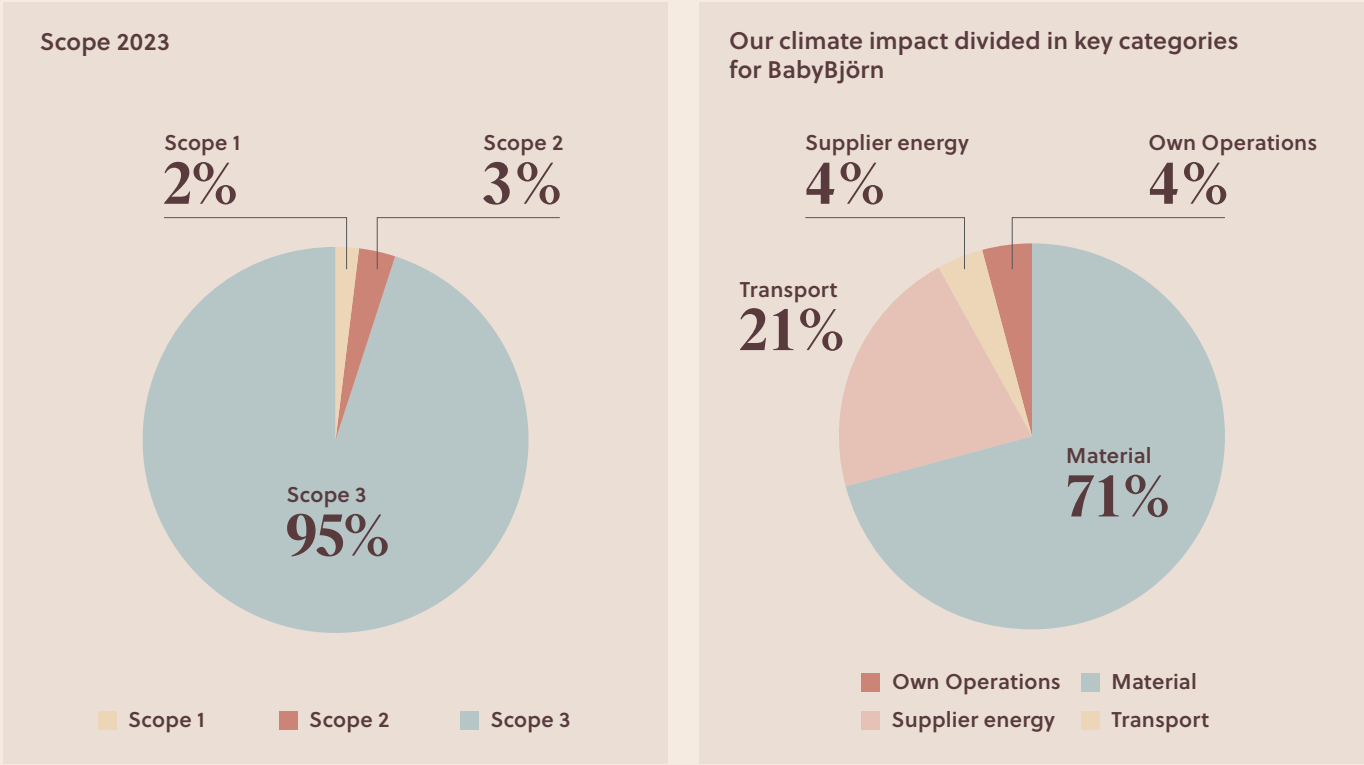
Our Footprint

To cut down on our climate footprint, we need to know exactly where we’re stepping. We teamed up with external sustainability experts and followed the principles of the Greenhouse Gas (GHG) Protocol to figure out our climate impact for 2022. When collecting data and analyzing the numbers, we looked at our product’s entire value chain—from raw material, factories, transportation, and our own operations to retailers, usage and, finally, disposal of the product. Reviewing our climate impact in 2022 wasn’t a one-time thing. We did it again in 2023, and we’ll keep doing it every year. It’s our way of staying in the loop, learning as we go, and setting goals that truly make a difference.

In the graphs you see our climate impact divided first by Scope 1, 2 and 3 as defined by GHG (Green House Gas) Protocol:

- **Scope 1:** Direct emissions from owned or controlled sources, such as fuel combustion and company vehicles.
- **Scope 2:** Indirect emissions from the generation of purchased energy like electricity, steam, heating, and cooling.
- **Scope 3:** All other indirect emissions that occur in a company’s value chain, including both upstream and downstream emissions.

BabyBjörn Climate Impact (tCO₂e) 2023



Our Goal

Our goal is big: to reduce our carbon footprint by 50% by 2030. This target is in line with the United Nations Paris Agreement’s requirement to limit global warming to 1.5°C. Halving our impact within a decade requires immediate acceleration – and we’re working to reduce our carbon footprint in all aspects.

Materials have the most significant impact on our overall footprint, so they’re our prime focus. We’re already working hard to adopt more sustainable materials, but finding ones that meet our high standards for safety and quality takes time, and the effects won’t be visible until 2026 and beyond.

While optimizing transportation flows and minimizing air freight is not new to us, we’re turning it up a notch. Early signs of improvement were seen in our 2023 climate impact, and we’re working hard to see further reductions throughout 2024.

When it comes to green energy, the results can be seen quicker. We’re committed to making our premises 100% fossil-free and leading the shift toward fossil-free energy through our strategic partnerships with our suppliers. We will start to see the results from this work already in 2024.

Here are some of our key strategies.

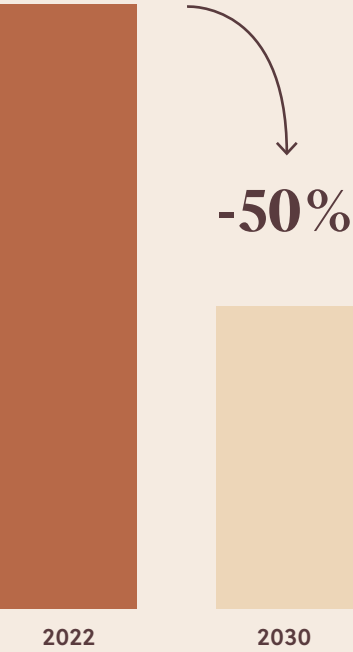
- Optimizing transportation routes.
- Sourcing materials closer to production sites.
- Using air freight only in unforeseen and critical situations.
- Shifting to renewable energy sources in our own operations and encouraging our suppliers to do the same.
- Continuously updating our material strategy to incorporate new innovative materials.
- Increasing the share of recycled and renewable materials in our products and packaging.
- Working together with our suppliers to reduce the environmental impact from production, use, and waste.
- Sourcing with sustainability as one of the key parameters.
- Optimizing our supply chain and setting clear expectations on our suppliers and business partners—updating SOPs, CoC, etc.
- Continuously tracking and taking action to reduce the climate impact from our whole value chain.

Our Materials

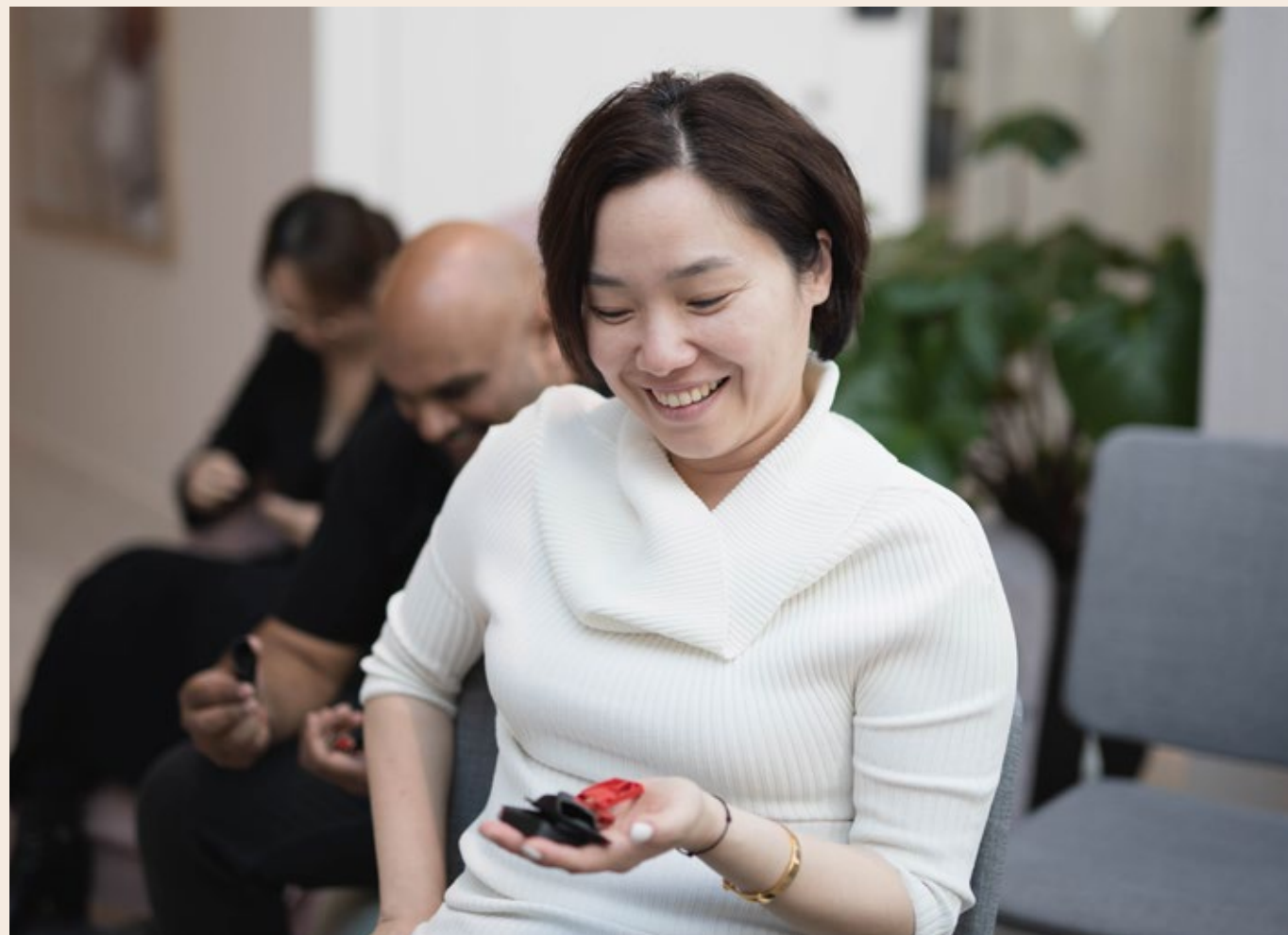
When looking at our climate footprint, material stands for 71% of our total climate impact. Therefore, we’re gearing up to implement a new material strategy in 2024 that aims to reduce our environmental impact.

We’re already working hard to find new, innovative, and more sustainable materials and manufacturing techniques. However, finding materials that tick the sustainability box while still aligning with our high standards for safety and quality is tricky. This is a long-term effort that requires a lot of research, testing, and tweaking.

Our Goal
Total Climate Impact (tCO₂e)



While optimizing transportation flows and minimizing air freight is not new to us, we’re turning it up a notch.



Packaging

Packaging plays a vital role in safeguarding our products during their journey to you. Our packaging is designed to be sturdy enough to withstand the transportation. It's also cleverly crafted to stack more efficiently, maximizing shipment capacity and consequently reducing the number of transports.

We are currently developing solutions to

- swap out all plastic molds with cardboard molds.
- replace plastic windows with windows crafted from renewable and degradable materials.
- enhance the durability of our product packaging, thus eliminating the need for outer packaging.
- transition from color-printed boxes to brown boxes.
- remove our plastic handles or replace them with paper handles.
- gradually produce packaging closer to our distribution centers, thus diminishing the need for global shipping.

Production and Suppliers

We don't own any factories; our products are crafted by our suppliers. This doesn't mean that we don't take responsibility for the climate impact caused by our production. On the contrary. Environmental considerations are always in the spotlight when working with our suppliers. For example, we choose suppliers located near our distribution centers to reduce transportation.

In collaboration with our suppliers, we're brainstorming and implementing innovative production methods aimed at decreasing energy and water consumption, limiting material use, and reducing waste.

Here are some of the improvements that have been made at our suppliers.

- Shifting to fossil-free and/or renewable energy.
- Introducing new cooling systems to cut down on energy and water consumption.
- Swapping out older, energy-intensive machines for newer, more efficient equipment.
- Switching existing lighting to energy-efficient LED lamps.
- Installing solar panels.
- Reducing transports.
- Finding new ways to reduce waste.

The well-being of everyone involved in every step of the way from idea to consumer is essential to us. We strive to provide a safe, diverse, fair, and inclusive workplace, whether it's in our own operations or our suppliers'.

“Remove our plastic handles or replace them with paper handles.”

Transportation and Freight

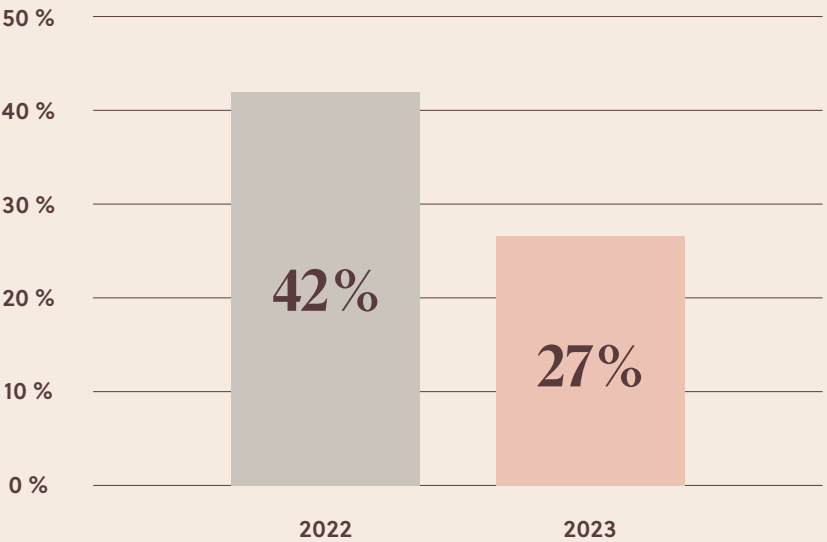
We’re continually fine-tuning the routes for materials, components, and products to cut down on transportation. We aim to optimize the total distance traveled per product. We’ve been cautious about using air freight for a while now, reserving it exclusively for unexpected and critical situations. In 2022, our air freight usage spiked due to material and component shortages and delays stemming from the aftermath of COVID-19. Even though we only shipped a small portion of our goods by air, it was responsible for 42% of our total transportation carbon footprint. Therefore, we set an ambitious target to reduce the number of air shipments by 50%.

We focused on improving our planning to steer clear of those critical situations and actively transition a significant portion of our air freight to other transportation modes. As a result, in 2023, we successfully met our goal and reduced the number of air shipments by 50%.

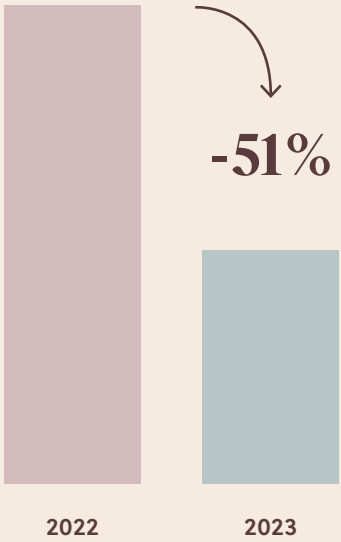
Air freight in 2023 constitutes 27% of our total transportation carbon footprint, marking a notable improvement from 42% in 2022. We’re committed to further reducing our emissions and will continue to work to minimize our transportation footprint, with a particular focus on air freight.

“We aim to optimize the total distance traveled per product.”

Air Freight share of Total Transportation Footprint (tCO₂e)



Number of Air Shipments





We're gradually transitioning from conventional company cars to electric vehicles.



Own Operations – Small Steps Toward a Better Future

When looking at our overall climate impact, our own operations, such as facilities, business travel, and IT, only stand for 3.6%. Nevertheless, we firmly believe that every action counts. Here are some of the steps we're taking to contribute to a better future.

Solar Panels

In 2023 we installed solar panels outside our logistic center in Lanna, Sweden. When the system is up and running at full capacity, it will make the entire premises self-sufficient.

Mobility

One of our key priorities when we were selecting a new location for our head office was to ensure easy accessibility via public transport. To encourage biking, we offer convenient parking solutions for bicycles. When car travel is necessary, we are committed to minimizing our climate impact. As part of this commitment, we're gradually transitioning from conventional company cars to electric vehicles.

Office Practices

Our offices are designed with sustainability in mind. Energy-efficient LED lamps equipped with motion detection ensure that lights are only on in occupied areas. We've simplified waste sorting with labeled bins, and our office printers are programmed to operate on demand, effectively reducing paper and ink waste.

Although the efforts at our offices may not single-handedly save the world, they act as a reminder for us all to make more responsible choices.

Social

Products and safety

We comply with all the standards and safety recommendations that exist for our products. Our own requirements are often more stringent than applicable general guidelines, and we strive to obtain many different voluntary certifications.

The user studies in our R&D work are crucial to understand how babies and caregivers interact with the products and how new details aiming for more intuitive design can be implemented.

We always challenge ourselves to find better and smarter solutions. By keeping up to date with the latest research both regarding child safety and wellbeing as well as in new materials and techniques, we improve our products and continuously raise the quality.

Responsible product communication

It is our responsibility to ensure that instructions and manuals for our products are easily understandable with clear instructions for safe use. This means we are also responsible for predicting how the products could potentially be used incorrectly, so-called foreseeable use. Warnings are an unavoidable part of product information. To eliminate unsafe use, we have to constantly educate ourselves on new research and findings as well as seek new opportunities to communicate product hazards.

Non-toxic products

Young children are the most sensitive to unhealthy substances. Eliminating these is therefore not only fundamental, but the highest priority. Hazardous substances from products can also leak into the environment, both during manufacturing and washing, and cause a negative impact. We therefore impose tough restrictions on chemicals in our products. OekoTex and Blue Sign are strict certifications we comply with to guarantee that our products are free from any harmful levels of substances.

Child Rights and marketing

BabyBjörn's vision is rooted in principles of the Convention on the Rights of the Child, which recognizes children's rights to a safe environment and upbringing. We want to make a contribution so that all children can grow up under safe and secure conditions. All our marketing material, including texts, videos and photos must always present children and families in a healthy and respectful way.

Equality and diversity

We exist for all types of families, no matter their structure, lifestyle or identity. Offering equal and diverse workplaces helps the company progress. Equality of opportunity and treatment in employment shall always be respected without any discrimination, distinction, exclusion or preference based upon sex, age, race, color, religion, nationality, political opinion, sexual orientation or social origin. Our marketing should clearly reflect equality and diversity.





Governance

Code of Conduct and choice of partners

Human rights

BabyBjörn AB has around 185 employees and also engages suppliers and subcontractors around the world. A supplier Code of Conduct enforcing respect of Human Rights for everyone involved in the production of our products has been in use for decades. Another Code of Conduct for employees was introduced three years ago, also with a commitment to respect Human Rights and including aligning with our brand values. In 2023 a partner Code of Conduct was introduced for partners such as consultants and agencies, ensuring that all parts of the value chain are adhering to our values and conditions.

The three codes cover health and safety concerns, ensuring that the physical and psychosocial working environment is safe and sound. They also assure us that all work is voluntarily and that employees' right to organize and collective bargaining is respected. Working hours, correct and direct payments, fair employment contracts and appropriate insurance are other areas covered. We follow the ILO conventions which are non-negotiable and strictly prohibit any form of child labor.

A new whistleblowing process has been introduced for BabyBjörn employees. It is accessible through the intranet and guarantees protection and confidentiality for anyone reporting.

Deviations

We have during 2023 extended the CSR auditing to include tier 2-suppliers. Unannounced inspections have been performed by an independent third-party agency at many of the facilities. Some deviations have been reported. In tier 1 issues regarding the reporting system and working hours were found which have been rectified. In tier 2 lack of proper documentation were discovered. This is being corrected and we plan new inspections to ensure proper adherence to our code of conduct.

Anti-corruption

BabyBjörn does not tolerate corruption in the organization and the three code of conducts address anti-corruption in all its forms, including extortion and bribery. We do not receive or give gifts in exchange for benefits that may impact a decision or behavior.

“In 2023 a partner Code of Conduct was introduced for partners such as consultants and agencies, ensuring that all parts of the value chain are adhering to our values and conditions.”

Organization

Durability and sustainability are mutually dependent. Every decision we make must consider sustainability and be an important parameter when evaluating different alternatives. Questions about long-term value creation and sustainability are an integral part of the overall governance of the company, for which the Board of Directors and the CEO are ultimately responsible.

“Every decision we make must consider sustainability as an important parameter when evaluating different alternatives.”

Governance documents

The following policy documents and guidelines serve as a basis for the company's sustainability work:

- Code of Conduct suppliers
- Code of Conduct partners
- Code of Conduct internal
- Discrimination and equality
- Environmental compliance requirements
- Environmental policy
- OEKO-TEX Standard 100
- BlueSign
- Internal whistleblowing process

Product standards

- Baby carriers: EN 13209-2, ASTM F2236
- Travel cribs: EN 716-1, EN 16890 (mattress), ASTM F406, AS/NZS 2195, – TPA 1974 CPN no 4 of 2008
- Baby cradles: EN 1130, ASTM F2194
- Baby Crib: EN 716-1,2, EN 16890 (mattress)
- Bouncer: EN 12790, ASTM F2167
- Toys for bouncer: EN 71-1,2,3, Toys Regulations Canada, AS NZS ISO 8124-1,2,3
- Booster seats: ASTM F2640 EN 71-1,3
- Cups: EN 14350, EN 1186
- Plates and utensils: EN 14372, EN 1186



This is a literal translation of the Swedish original report

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in BabyBjörn AB, corporate identity number 556093-6196

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

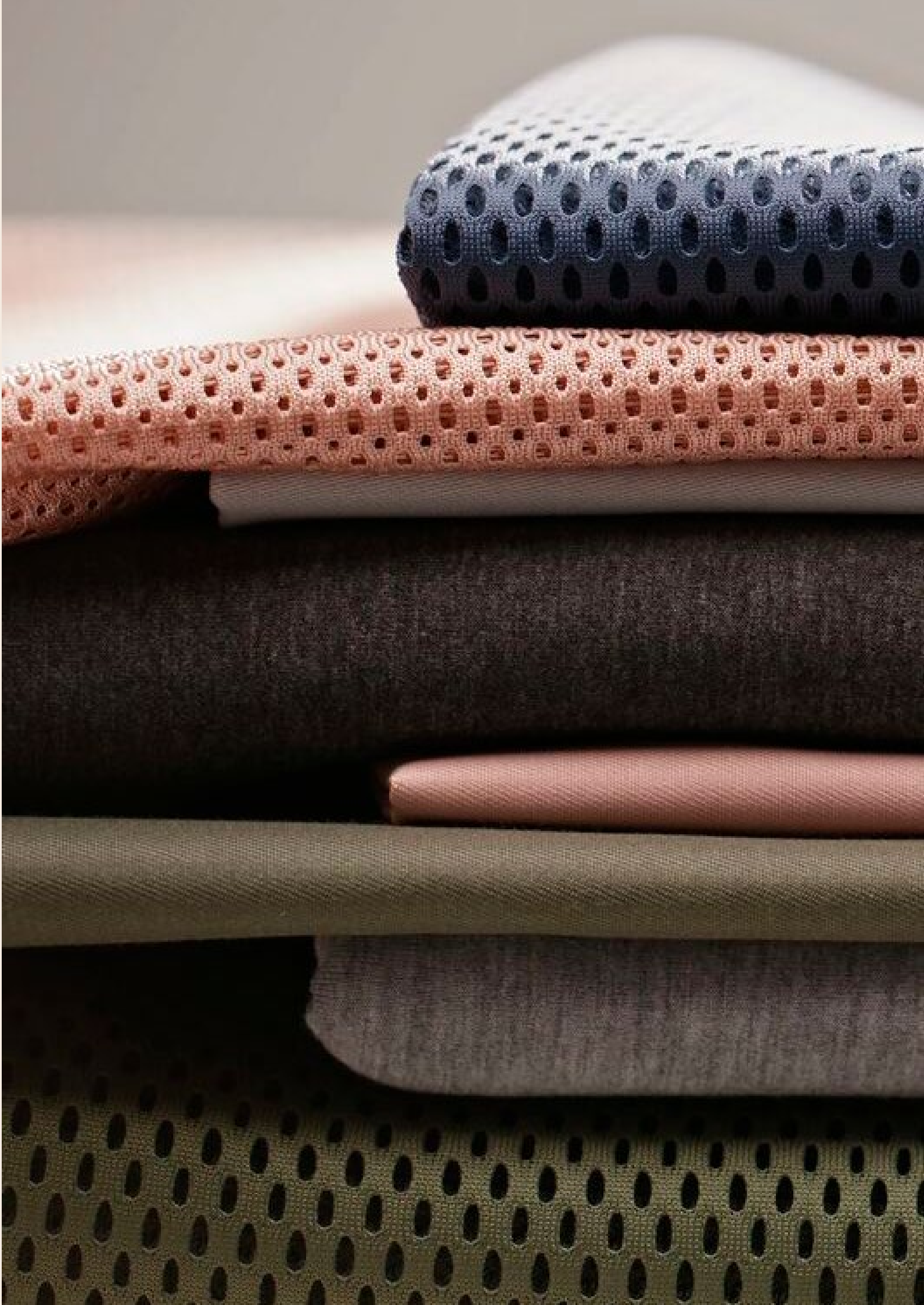
Opinion

A statutory sustainability report has been prepared.

Jönköping, 17th April 2024
Öhrlings PricewaterhouseCoopers AB

Frida Wengbrand
Authorised Public Accountant

Lisa Fahlström
Authorised Public Accountant



BabyBjörn