



Sustainability Report 2022 BabyBjörn AB | Org.nr. 556093-6196 | 20220101–20221231

Sustainability report 2022

BabyBjörn AB | Financial Year 2022

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 and Vietnam.

Our view on sustainable business

BabyBjörn's mission is grounded in several of the principles in the UN's Convention on the Rights of a Child: that children have the right to live and grow up in a secure and safe environment. This is the basic belief underlying everything from product development ideas, material choices to marketing.

BabyBjörn's commitment is to develop products that fulfill proper needs and can be used every day. The high quality ensure that they can be handed down and used by many babies and families. This is the most important contribution to minimize the environmental impact of our business.

BabyBjörn's primary goal is to promote closeness between children and their parents. Our products are based on the conviction that closeness at an early age promotes attachments and creates important and lifelong bonds.

Our priorities

An important part of our sustainability work is to respond to the expectations of our key stakeholders: children and adults who use our products, customers, suppliers and BabyBjörn's employees and owners. In our assessment and selection of areas that are considered to be the most relevant for mitigating risks and creating sustainable values, we consider the opinions of stakeholders.

- Continuing the shift to more alternative sustainable materials for products and packaging.
- Product safety and product information.
- Reduced consumption of resources.
- Limited impact on the climate.
- Non-toxic products.
- Working conditions in production.
- Social sustainability.

We exist for all types of families, no matter their structure, lifestyle or identity.



Product

All our products support a safe and healthy development for small children. To ensure this our product development is conducted in close cooperation with medical experts and independent test institutes. We naturally 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.

Sustainability has always been part of the BabyBjörn DNA. But manufacturing products will always make an environmental impact. Our most significant contribution is long lasting and functional products that can be used every day by many families. This is the foundation for our sustainability.

We know that most of our products are handed down and used by many babies and families. This means sustainability starts at the drawing table, early on in the design phase.

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.

Choosing material carefully

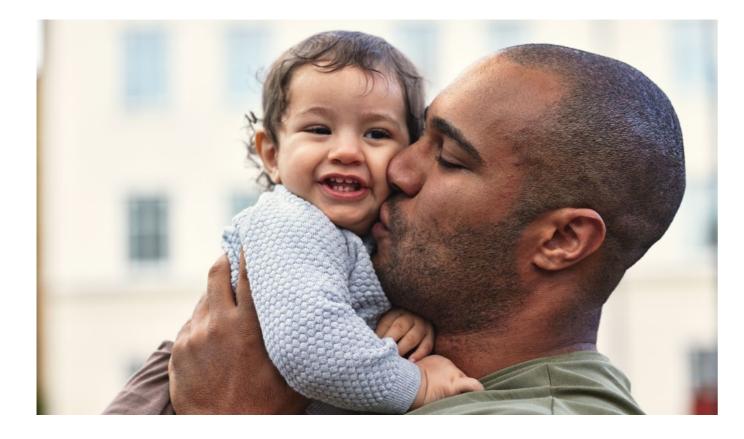
But designing and developing in a sustainable way is of course not enough. We carefully choose material and look for ways to reduce transportations. We also work closely with our suppliers to reduce the environmental impact of the production as well as making sure that all working conditions are safe, sound and ethical. We look at every aspect of the value chain to ensure that we constantly do our best and improve.

Responsible communication

It is our responsibility to ensure that instructions and manuals for our products clearly and in an easily understandable way describe their area of use. This means we are also responsible for predicting how the products could potentially be used incorrectly, so-called foreseeable use, and thus eliminating or warning about these risks.

Non-toxic products

Young children are the most sensitive to healthhazardous substances. Eliminating these is therefore not only fundamental, but the highest priority. Hazardous substances in products can also leak into the natural environment, both during manufacturing and washing, and have a negative impact on the environment. 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.



Human Rights

Work conditions, health, safety and security

BabyBjörn AB has around 180 employees and also engages suppliers and subcontractors around the world. A supplier and an internal Code of Conduct describe our commitment to respect Human Rights in every aspect of our business and include everyone involved. We follow the ILO conventions which are non-negotiable and strictly prohibits any form of child labor.

The codes cover health and safety concerns ensuring that the physical and psychosocial working environment shall be safe and sound. They also include statements that any work that has not been offered voluntarily is forbidden and cover the employees' right to organize and collective bargaining. Working hours, correct and direct payments, fair employment contracts and appropriate insurance are other areas covered.

Equality and diversity

We exist for all types of families, no matter their structure, lifestyle or identity. Offering equal and diverse workplaces help 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.

Anti-corruption

BabyBjörn does not tolerate corruption in the organization and all employees and suppliers have signed the code of conduct which addresses anticorruption 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.

Deviations

The smaller deviations reported during 2022 regarding working conditions at our suppliers facilities have been rectified. No other deviations have been reported.

Child Rights

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 good conditions. All our texts and photos must always present children and families in a healthy and respectful way. Our marketing should clearly reflect equality and diversity.

BabyBjörn's vision is rooted in principles of the Convention on the Rights of the Child.

Designed to last



Regularly check that:

- all buckles are intact, can be opened/closed, and click when closed. Please note that not all of our buckles make the clicking sound that, for example, the shoulder strap buckle, head support buckle and adjustment buckle
- on Baby Carrier One make

 the loop and button on each leg strap are
- all zips are working properly

Environment

Sustainability achievements in short 2022

- Shortening and diminishing transport routes through the entire supply chain.
- Strengthening of Code of Conduct compliance with our suppliers. Ensuring ethical working conditions through the whole supply chain.
- Finding new solutions to packaging on all levels.
- Sourcing new and sustainable textiles and materials through the whole process.
- Strengthening product development projects from a sustainability perspective.
- Mapping of the environmental footprint to achieve measurability.
- Donations to important causes.
- Supporting the second hand market of our own products.
- Stopped distribution to Russia.



- Baby Bouncers
- Regularly check that:
- it is possible to alter the position, and the red positioner is intact
- the frame is undamaged, and the suspension works
- the rubber strips at the base are intact and fit well



Cradle/Travel Crib

Regularly check that:

- the legs and frame of the travel crib can be easily unfolded/folded
- the cradle/travel crib is stable and does not tilt
- all zippers work and can be closed completely
- the tool to open the zippers is not missing. If it is, you can easily order a replacement tool via our <u>customer service</u>
- the mattress is a BabyBjörn original and intended for the crib/cradle

Materials

- Both the cultivation and processing of cotton require large amounts of water. Less than one per cent of our consumption is conventional cotton; the rest is approved by the Better Cotton Initiative and therefore meets the requirements set for reduced water consumption, less use of chemicals, and better working conditions.
- Environmental concern is always a top priority in our dialogue with new and existing suppliers.
- Searching for new suppliers with a high level of environmental thinking. An example is recycling for usage in other categories as circular use of shredded material for products demanding other textile qualities.
- Several of our textile suppliers are taking measures to improve their energy consumption and have or will switch to solar energy as an extra source.
- Continuing sourcing project to find alternative and more sustainable textile materials still of high quality and functionality
- Obtained GRS on most of the existing polyester material

The Global Recycled Standard (GRS) is a voluntary product standard for tracking and verifying the content of recycled materials in a final product. The standard applies to the full supply chain and addresses traceability, environmental principles, social requirements, chemical content and labeling.

Transports

- Continuing to find material closer to the production in order to diminish transports.
- Focus on planning production closer to where the products are sold
- By intensifying the efforts to diminish unnecessary transports between suppliers and sub-suppliers by tighter cooperations we have made great improvements during 2022.

Energy

- Solar panels will be installed at our distribution center in Sweden which will make the energy consumption fossile free there.
- 50 % of the suppliers of plastic production have fossile-free energy. The cooling systems have also been upgraded to lower energy and water consumption.
- 50 % of the suppliers are planning to install solar panels during 2023-24.
- Pre-combustion of cassations are instead constantly recycled at higher levels .
- Studies evaluation the suppliers' are performed, resulting in changing existing lightning to LED-lamps and older electric injection moulding machines consuming high levels of energy have been exchanged for newer more efficient equipment.

Ethics and compliance

- During 2022 unannounced and thorough CSRinspections performed by an independent third party were performed at the three sewing manufacturing suppliers. Only smaller deviations were noted and have been rectified.
- A mapping of sub-suppliers with the aim to extend the CSR-inspections to tier 1 and 2 has been finalized during 2022. The plan for a thorough revision of sub-suppliers in Turkey, Vietnam, China, Bosnia-Hercegovina and Bulgaria is in place for 2023.

Environmental impact evaluation

- During 2022 ten of the largest suppliers have been interviewed and analyzed regarding their environmental impact regarding energy, heating, transport, packaging and waste management. This work will continue during 2023 and is performed with the assistance of sustainability consultants.

Packaging

- Planning to diminish the use of shock absorbing plastic fillings in deliveries to consumers by using a cardboard shredding system.
- A new project for all individual product packaging is in progress with a reduced environmental impact as top priority

Social causes

We support projects and organizations all over the world with both sponsorships and products. Our policy is to choose activities that help improve the health and living conditions of pregnant women and children under the age of three.

During 2022 we made financial donations to UNHCR to supporting the victims of the war in Ukraine.

We also made substantial product donations to local Swedish charity organizations with already established network in Ukraine, who managed to supply refugees with support early on during the war.

With the outbreak of the war, we stopped our distribution to Russia.

Durability and Quality

BabyBjörn products can be used by many children and are often handed down between friends and family. The secondhand market of the products is substantial, and we support it in different ways. We offer instructions and guidance on our website on how to check the safety of an older product and our consumer service can answer questions occurring when buying a secondhand product. We are constantly working on lengthening the lifetime of the products and finding other ways to expand their use.

Quality is one of our watchwords, and our claims frequency is minimal, 0,08%. All quality problems are registered and followed up rigorously.

Organization and governance

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.

Governance documents

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

- Code of Conduct
- Discrimination and equality
- Environmental compliance requirements
- Environmental policy
- OEKO-TEX Standard 100
- Product standards
- Baby carriers: EN 13209-2, ASTM F2236
- Travel cribs: EN 716-1, EN1,2, ASTM F406, AS/NZS 2195, – TPA 1974 CPN no 4 of 2008
- Baby cradles: EN 1130, ASTM F2194
- Baby Crib: EN 716-1,2
- 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
- Cups: EN 14350, EN 1186
- Plates and utensils: EN 14372, EN 1186

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