

SUSTAINABILITY

2020



BABYSHOP GROUP

CONTENT

INTRODUCTION	3
SUSTAINABILITY WITHIN BSG	4
SUSTAINABLE PURCHASES	5
BSG'S WORLD MAP	6
SOCIAL RESPONSIBILITY	8
COVID-19 TIMELINE	9
SOCIAL ENGAGEMENT	12



INTRODUCTION

About Babyshop Group

Babyshop Group (BSG), consisting of Babyshop.com, Lekmer.se, Alexandalex.com, Oiidesign.se and Melijoe.com, as well as 9 stores in Norway and Sweden, is today a leading global omnichannel retailer with an annual turnover exceeding 100 million euros. BSG is a leader in fashion technology with a modern technology stack and also has a self-automated AutoStore warehouse solution that contains 130,000 drawers and 120 robots, and from June 2020 all of them are running on renewable energy. BSG currently has offices in Paris, London, Stockholm and Oslo as well as warehousing operations in Jönköping. The staff consists of over 50 nationalities where 70% are women

PURPOSE

Gearing up modern families while making our planet a better place for the next generation

CORE VALUES

- Lead Not Follow
- Own It
- Simplify
- One Family

VISION

To become the leading premium and luxury retailer for the modern family

Significant changes in the organization

We are a growing company with a high entrepreneurial spirit who are passionate about creating the best shopping experience for parents under our core values (Lead Not Follow, Own it, Simplify and One Family). The group started with a single domain, Babyshop.se, and two entrepreneurs in 2006. At the end of 2020, BSG acquired the French company Melijoe. Melijoe enters new markets and adds value to the Group's brand portfolio. It contributes with good profitability, high average order value and world-class suppliers. The brand is known for its editorial, educational and inspiring content that will be a major contribution to the group.

mélíjoe.com  **BABYSHOP GROUP**



Control and management of the sustainability work

Babyshop Group's responsibility within sustainability includes good ethics, social responsibility and environmental thinking. The ethical and environmental guidelines apply to everyone who works with BSG - own employees, suppliers, subcontractors and other partners. During the year, we set up a structure for sustainability work and how this should be implemented in the company. This structure is based on stakeholder analysis and the UN's global goals for sustainable development, where each department, if possible, links its goals to the selected global goals with a regular follow-up. The 5 global goals we have chosen to focus on are where we believe we can make the biggest difference: Good health and well-being, Quality education, Gender equality, Decent working conditions and economic growth, Responsible consumption and production. The 5 focus areas from the stakeholder dialogue are the following: Product safety, material evaluation, sustainable production, recycling and reducing our chemical impact.



Anti-corruption is a relevant risk at all stages of the value chain. BSG works actively to fight corruption in all meetings with suppliers, customers and other business partners, which can take many different forms. In addition to this, corruption can also occur within one's own organization. This risk is mitigated by the establishment of a clear policy and communication to employees on examples of how corruption can take shape and how it can be avoided. In 2020, no cases of corruption were reported via the group's HR department.

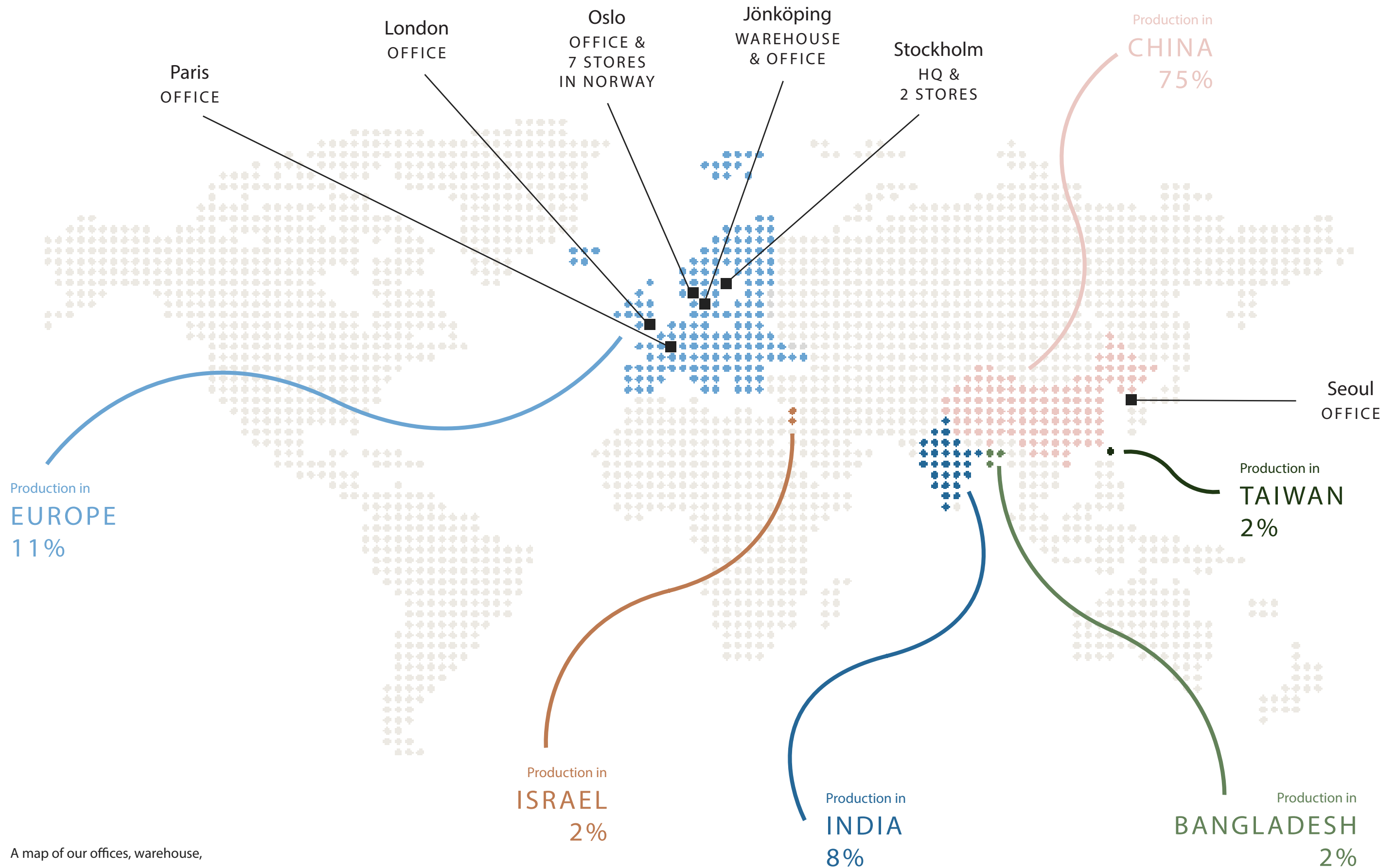
As the majority of the products sold through our channels are made for children or for use in an environment where children are present, product safety is therefore one of the most important aspects when we buy and develop products. All our supplying factories have signed our general guidelines which describe our safety requirements and quality requirements for BSG's own brands. These guidelines form the basis for BSG's views on product safety, quality, chemical use and material policies and also apply to our external suppliers. All our suppliers must sign our chemicals agreement regarding EU chemicals legislation and comply with EU product safety legislation. The company has regular contact and follow-up with our suppliers to ensure that the requirements are complied with.



Production and suppliers

Babyshop Group mainly sells products from external brands, but the proportion of our own brands has increased during 2020. When we work with both factories for own production and suppliers from external brands, we have different opportunities to make demands on sustainability. For the products created through our own brands, we have the opportunity to influence all links in the value chain. The production of our own brands takes place mainly in China. We work in close contact with our suppliers to ensure that they are up to date on legislation and identify which environmental initiatives and other initiatives are relevant to their production. BSG visits factories regularly to further ensure that practices are in line with previous audits. During the year, each supplier was evaluated on the basis of its sustainability work and / or environmental impact. Suppliers are also obliged to follow our guidelines, which is the basis for BSG's views on product safety, quality, chemical use and material policies. Before an order leaves the factory, an inspection is carried out to ensure that the quality is in accordance with the communicated standards. Through self-assessment, external auditing companies and certifications, we try to identify and minimize the environmental risks that exist in production.





A map of our offices, warehouse, stores and the production of our proprietary brands.

People in the supply chain

To minimize the risk of unfair working conditions, all factories and agents producing for BSG must follow and sign our code of conduct, which includes zero tolerance for discrimination, forced labor and child labor, and sets requirements for both workplace safety and environmental requirements. All factories located in risk areas should also be evaluated through a third-party audit. In 2020, over 70% of these were evaluated through a third-party audit. Within BSG, we also have an anti-corruption policy for BSG employees to maintain the highest ethical standards when doing business. Corruption in all its forms, including but not limited to bribery, facilitating payments, nepotism, extortion, money laundering and fraud, is strictly prohibited.

Many of the factories and suppliers we use are currently located in countries that are considered to have increased risk according to Amforis' risk classification, which uses the World Bank's Global Governance Indicators (WGI) in its assessment. This assessment takes place in areas such as political stability in the country, control of corruption, absence of violence and terrorism and follow-up of rules and legal requirements. In order to be able to assess the risks that are relevant in our supply chain, we work by constantly increasing our transparency with both suppliers and subcontractors. We have noticed that the further down the chain you get, the more difficult it becomes to assess the risks. We have increased our work to map our entire supply chain and also include knowledge of subcontractors in levels 2 and 3.

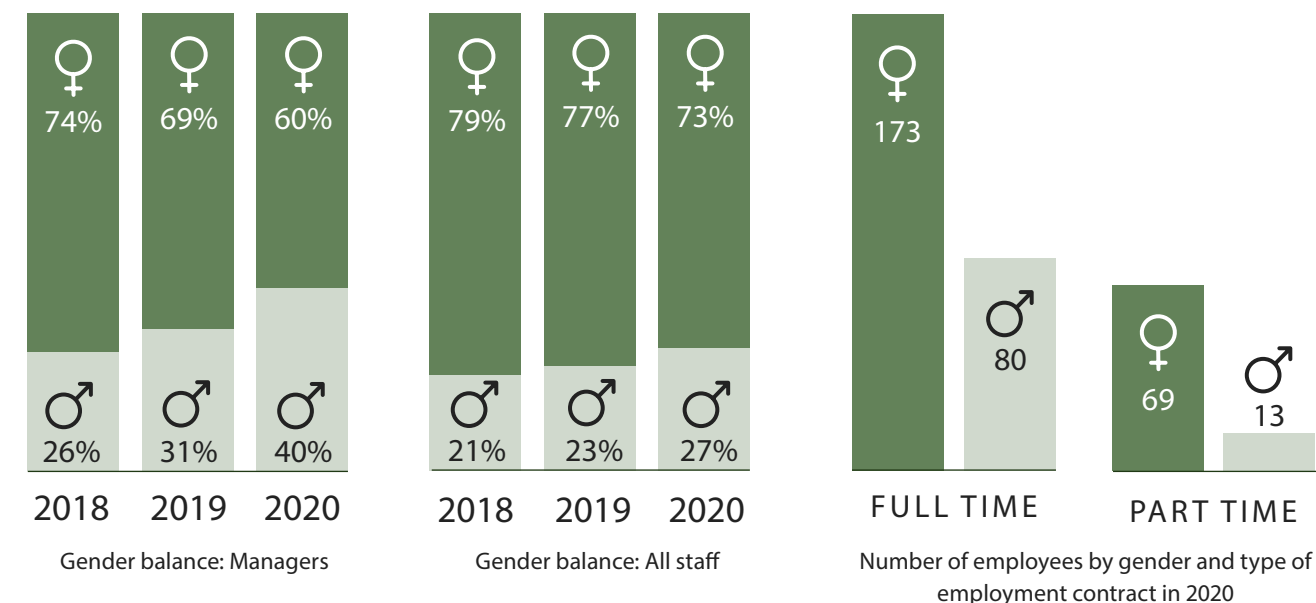
GOAL	STATUS 2020
All suppliers have an external audit	BSCI: 52% Any type of confirmed 3rd party audit: 72%

Our customers

We have a great responsibility to inform the customer about how they use their product in a safe way to reduce the risk of injuries. We mitigate this risk by having clear manuals / user instructions and labeling the product with relevant warnings and user restrictions based on age, weight or height. If a product is suspected of having defects in product safety, it is investigated via a Red Alert process where any manufacturing defects, standardized product safety tests, customer use and other external influences are assessed. The process includes a risk evaluation where the outcome is assessed based on the type of injury, risk of occurrence and vulnerability of the user. In 2020, a total of 4 products were recalled due to shortcomings in product safety. All these products came from external brands, of which BSG was a reseller of 3 of them and an importer to EU of 1.

During 2020 we had over 1 million customers from all over the world

Top 3 countries:



Personnel responsibility

Our employees are the most important resource we have for us to be able to achieve our vision and goals. If we fail in our responsibility to create a good working environment, this can lead to employees not being happy at work and can in the long run lead to reduced productivity and difficulties in achieving the company's vision and set goals. This can also lead to a deteriorating reputation and difficulties in recruiting and retaining staff. It is therefore of the utmost importance for us to actively work to strengthen our corporate culture so that employees feel secure and committed to their work and to constantly improve working methods and processes. Our corporate culture is based on our 4 core values that influence our entire business (Lead Not Follow, Own it, Simplify and One Family). In addition to this, we work actively to optimize work tools and equipment for healthier and smarter ways of working for all employees. This applies to both our offices, stores and warehouses.

The company believes that leadership is an important part of the work environment and well-being for all employees. 2020 has been a challenging year due to Covid-19 and has made it even more important for us to work with leadership. For many of BSG's employees, the pandemic has meant working 100% digitally without being able to meet friends and colleagues, and therefore we set up a guide to coach both managers and employees in how to create a good work environment from home. In our annual employee survey, we were positively surprised to report that leadership scores improved in 2020.

Babyshop Group works purposefully to take on social responsibility that involves active work with issues such as diversity, integration, gender equality and issues related to working conditions for employees.

During 2020, 3 out of 6 board members were women, ie 50%. And for the management group 2020, 2 out of 5 members were women, ie 40% women and 60% men.

BSG'S COVID TIMELINE





Dear Babyshop customer,

We want to share our deepest concerns regarding the Corona virus and its current situation in South Korea. In these times of worry, we send our thoughts to everyone who's part of our extended Babyshop family, hoping you all stay healthy and well.

Warm regards,
Founders Marcus & Linn Tagesson with team

Babyshop Group ♥ South Korea

South Korea was hit hard by the pandemic and at an early stage and BSG decided to send a gift together with a personal card to 1000 of our Korean customers.

DEAR CUSTOMER,

This small gift is a symbol of our concern and best wishes. We hope it can bring you just a bit of comfort.

Warm regards,
A Happy Brand



Karma Initiative

Karma is a company with the purpose to save food from being wasted. During Covid BSG donated meals via Karma to support the children impacted by the pandemic. The donation went to Rädda Barnen - Save the Children Sweden that with the help of Babyshop Group and Karma could deliver daily meals to the impacted children.



Wildhood Foundation

One of the ways we activated our sponsorship was through educating our staff and our social media following. We told them about the general mission of the organisation but most importantly, we told them about one of Wildhood Foundations key initiatives: Akashingas - The empowerment of the female park rangers.



The Swedish Childhood Cancer Fund

For more than 10 years Babyshop Group have been a proud sponsor of The Swedish Childhood Cancer Fund with yearly donations to help fight childhood cancer.



Singoalla

Singoalla is a non-profitable organization that financially supports disadvantaged single mothers. Babyshop Group has donated clothes, strollers and toys to the organization.



SOS - Children Villages Norway

Together with SOS - Children Villages Norway (SOS Barnebyer Norge) BSG raised money for help with education for children affected by the pandemic. The money was, for example, put into online tuition, to distribute tablets, to provide internet access, tuition offered via radio and TV and teaching material for children all over the world.

WILDHOOD

FOUNDATION

Have you heard of Wildhood Foundation?

Founded by Filipa Tarras-Wahlberg in 2016, this Swedish nonprofit organization's mission is to protect wild animals from poaching and illegal trade. Funds raised are used to protect threatened wildlife in some of southern Africa's most affected areas.

Wildhood also works to increase knowledge about the illegal trade and the consequences extinction of species has for our planet. Did you for example know what a Pangolin is and that this little animal is our world's most illegally traded?

Fact check: Elephants

The elephant is the most illegally hunted animal in Zimbabwe, which is home to one of the largest populations in Africa. Elephants are being shot, poisoned or snared by poachers who want to get hold of the valuable ivory. If you succeed in protecting elephants in this ecosystem, all other species are being protected.

It is estimated that more than 110 000 African elephants have been killed for their tusks in the last decade and today more than 20 000 are killed each year. With only about 350 000 elephants remaining on the African continent the species is now at risk of becoming extinct within our lifetime.

Akashinga

Wildhood's fundraising goes to the empowerment of female park rangers in a new project called "Akashinga" meaning "the brave ones" in the local language of Zimbabwe. Here women from poor rural communities form the first and last line of defense for nature, now getting access to a job that was historically set aside for men.

Women's natural instinct to protect and ability to de escalate conflicts rather than the opposite has made this project successful. The women of Akashinga protect the elephants as if they were their own children, a mission that is both challenging and dangerous.

Akashinga is recruiting women from the local communities where women are often victims of sexual abuse and domestic violence. By empowering these women and giving them an opportunity to become self-sufficient through an employment, this project has multiple positive effects on the community:

- When the status of women is increased the violence against women is reduced.
- As women tend to invest more of their salary back into the household, compared to a man, kids get better access to health care and education.
- This helps build the economy in the rural communities faster which reduces poverty and the need for poaching.



"We care for biodiversity and all living beings on our planet. To help protect and preserve elephants, lions and rhinos for future generations we support Wildhood Foundation in their mission to stop poaching and illegal wildlife trade in Africa. We're really proud over this partnership and the results we see!"

Linn t.

Linn Tagesson
Co-Founder

SUSTAINABILITY 2020

Babyshop Group's full legal name is "Babyshop sthlm Holding AB" with the organization number 5566991542. BSG ownership consists of 60+ different private investors and Venture Capital owners.

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