

L O L Δ & L Y K K E

Sustainability Report 2023

In 2022, Lola&Lykke continued its journey of transformation in the sustainability area, taking several important steps. We established a clearer framework for building a sustainable business, and we now stand upon a strong foundation for the future. In the years to come, we will continue working closely with all of our operations on sustainability in order to best put theory into practice. We will use our size and our experience from our various operations to establish best practices. Our strength lies in our entrepreneurial culture and our ability to put initiatives into practice, which give us excellent prospects for committed sustainability efforts. We are proud of the strides made in the last year and look forward with anticipation to the development of our sustainability efforts in the years to come.

At Lola&Lykke we always strive to conduct our operations in an ethical, as well as socially and environmentally responsible manner. Sustainability is a prerequisite for our continued success, and it is important that sustainability is considered a self-evident part of our operations. We focus on our material sustainability areas and continuously seek ways to develop and improve our work on sustainability across our value chain.

Our Purpose Statement

Lola&Lykke's goal is to redefine breastfeeding and postpartum support for the 280 million new parents worldwide by building a holistic solution combining physical products and tech that will change an industry and the lives of new mothers worldwide.

UN Sustainability Goals



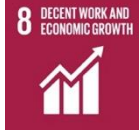


The United Nations (UN) Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030 and seek to mobilize global efforts around a common set of goals and targets.

The 17 UN SDGs, which came into force on January 1, 2016, call for worldwide action among governments, business, and civil society to end poverty and create a life of dignity and opportunity for all. The SDGs explicitly call on businesses to apply their creativity and innovation to solve sustainable development challenges. Successfully achieving the goals relies heavily on collective initiatives and dedicated collaboration among all the actors involved.

The SDGs present a wide range of opportunities for business-led solutions and technologies to address the world's biggest and most pressing sustainable development challenges.

Sustainability at Lola&Lykke is based on UN Sustainability Goals 2030 (SDG), our commitment to carbon neutrality across our supply chain network, and the Butterfly Mark Sustainability Certification, an independent, globally respected trust mark awarded to brands, retailers and suppliers that meet the highest standards of verified ESG+ performance. Concrete actions to achieve SDG's will be set during 2023.

UN Sustainability Goals (SDG) for Lola&Lykke

 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> Occupational health and safety Access to medicines Access to quality and essential health care services Air quality Water quality 	<ul style="list-style-type: none"> Make investments in health a priority in business operations. Leverage corporate resources (e.g. R&D, distribution, cold chains) to support health care delivery by public and international organizations. Align human resources policies with principles of human rights, including policies for HIV/AIDS. Use already existing resources for guidance (e.g. from the ILO, WHO, etc.). Partner with health care NGOs and public clinics to raise awareness and increase access to targeted health services for female and male workers and their families. <p>Facilitate and invest in affordable medicine and health care for low-income populations.</p>
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> Equal remuneration for women and men Diversity and equal opportunity Access to sexual and reproductive health-care services Workplace violence and harassment Women in leadership Childcare services and benefits 	<ul style="list-style-type: none"> Assure sufficient participation of women – 30% or greater – in decision-making and governance at all levels and across all business areas. Pay equal remuneration, including benefits, for work of equal value and strive to pay a living wage to all women and men. Support access to child and dependent care by providing services, resources and information to both women and men. Establish a zero-tolerance policy towards all forms of violence at work, including verbal / and / or physical abuse and prevent sexual harassment. Expand business relationships with women-owned enterprises, including small businesses and women entrepreneurs.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> Employment Economic inclusion Non-discrimination Capacity Building Availability of a skilled workforce Elimination of forced or compulsory labour 	<ul style="list-style-type: none"> Offer apprenticeship opportunities. Foster entrepreneurial culture and invest in or mentor young entrepreneurs. Initiate skills development programs moving down company supply chains. Put in place mechanisms to identify child labour and forced labour throughout global supply chains, and implement remediation when abuses are discovered. Install a firm policy against unfair hiring and recruitment practices, particularly of vulnerable groups such as migrant workers.
 <p>12 RESPONSIBLE CONSUMPTION</p> <p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> Sustainable sourcing Resource efficiency of products and services Materials recycling Procurement practices Product and service information and labelling 	<ul style="list-style-type: none"> Implement product portfolio analysis tools to understand environmental and social footprint of products within lifestyles as well as production. Innovation must align products and applications to appropriately address sustainability megatrends. Develop innovative business models such as moving from selling products to selling services, to retain ownership of the products and help close the materials loop. Enable sustainable consumption by developing innovative solutions can reduce energy need in usage and educate consumers about these benefits. Reduce manufacturing impacts by substituting virgin raw materials in products with post-consumer materials through recycling and upcycling. Apply modular design, so products' constituent parts will be easily separated and either re-used without further processing, or easily recycled near the point of disposal. Significantly reduce waste and ensure that any unavoidable waste is utilized to the fullest degree (e.g., organic waste as fuel or fertilizer).
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> Effective, accountable, and transparent governance Compliance with laws and regulations Anti-corruption Public access to information Physical and economic displacement Inclusive decision making 	<ul style="list-style-type: none"> Comply with laws and seek to meet international standards; require and support business partners to do the same. Commit to and implement conflict-sensitive, lawful and transparent operational policies and practices, including on human resources, public and corporate procurement, and in the value chain more generally. Conduct risk and impact assessments to identify and mitigate risks of contributing to corruption, violence and conflict, and weakening of the rule of law and identify opportunities for positive impacts. Measure and report on implementation progress, including on operations in high-risk areas. <p>Engage in public-private dialogues, partnerships and collective action in conflict prevention, peacekeeping, peacebuilding, anti-corruption and the rule of law.</p>

The Butterfly Mark Certification Process

The Butterfly Mark certification has been created in consultation with the Positive Luxury Sustainability Council and is rigorous, independent, and is underpinned by the latest international standards, global legislation and best practice principles. Upon reaching the certification standards (estimated: Q2/2023), Lola&Lykke will be awarded certification and provided with a range of reports showing performance in each of the four core pillars of the assessment. The ongoing certification process monitors the Company's ESG performance on an annual basis, highlighting areas of improvement to eliminate risk and drive growth in positive impact and company value. Alongside the learnings gained and improvements made during the continued assessment process, Lola&Lykke will have all the tools needed to develop a mid-term sustainability strategy to accelerate the Company's progress towards the necessary 2025 and 2030 targets.

Corporate Social Purpose

An area of strength for Lola&Lykke within the ESG pillars is corporate social responsibility and above all, corporate social purpose. Corporate social purpose expands the definition of a corporation's stakeholders to include employees, customers, suppliers, the communities where it operates, and the environment. Lola&Lykke's clear social purpose makes it a company whose enduring reason for being is to create a better world. It is an engine for good, creating societal benefits by the very act of conducting business. Our growth is a positive force in society.

Lola&Lykke invests in corporate social purpose through its continued work with NGOs, governments, healthcare providers, maternal health experts and research universities like Metropolia in Finland. The Company works with public healthcare providers including the Helsinki Hospital Region and the NHS to provide expertise around physiotherapy during and after pregnancy as well as breastfeeding. Lola&Lykke's aim is to bridge the gap between families and healthcare and to work with traditional healthcare systems filling in the gaps in mum-centric care going forward.

Within community involvement, Lola&Lykke works closely with education providers, students and healthcare professionals. Lola&Lykke is committed to a continuous working life collaboration with Metropolia Research University. The aim of the cooperation is to strengthen the recognition of Lola&Lykke among students by offering various cooperation opportunities, as well as to support the development of the company's operations through theses and innovation projects. In addition, Lola&Lykke provides Metropolia with support belts intended to support mothers' mid-body during pregnancy and after childbirth for teaching, continuing education and service use. With the agreement, the partners share their expertise and promote the strategic goals of both parties. The collaboration expands into clinical research in 2022, when a study to test the effects of maternity support belts will start in Metropolia.

Lola&Lykke is currently undertaking groundbreaking clinical trials with the Metropolia University to promote the wellbeing of pregnant and postpartum women. The research is carried out by Metropolia's Wellness and Health Services Innovation Center in Helsinki under the responsibility of Doctor of Health Sciences, Metropolia University lecturer Sari Haapio.

The purpose of the clinical research is to investigate the effects of pregnancy and postpartum support belts on women's physical well-being during pregnancy and after childbirth. The goal is to produce information about the effects of using a support belt on pain in the pelvic area (lower back and pubic joint) during pregnancy and the postpartum period. Lola&Lykke is undertaking this independent, ground-breaking clinical study in collaboration with Metropolia to provide insights into a previously completely under-researched area.

In addition to creating a positive impact on families, workplaces and societies through investment in maternal health, Lola&Lykke actively supports various maternal health initiatives, healthcare professionals driving a real change and organisations such as Everymothercounts.com by making regular donations to their important activities. Every Mother Counts works to achieve quality, respectful, and equitable maternity care for all by giving grants and working with partners and thought leaders to increase awareness and mobilize communities to take action.

Lola&Lykke continuously creates volunteering opportunities to participate in the Company's development, for instance in 2023, Lola&Lykke employs two interns in the fields of ecommerce and digital marketing. Lola&Lykke runs regular study courses with Metropolia students and supports them with learning and business development initiatives. In addition, the Company actively participates in other education and awareness initiatives with influencers, healthcare experts and other maternal health thought-leaders. Examples of this type of work can be found for instance within the Company's articles, blogs, social media content and its Female Changemakers -podcast.

303,000 women die around the world as a result of complications of pregnancy and childbirth, every year. Almost all global maternal deaths can be prevented by ensuring women have access to quality, respectful and equitable maternity care. There is a lot we already know about how to prevent pregnancy- and childbirth-related complications, but not enough political will or resources dedicated to this issue. The belief that knowledge is power is only true if it is clear what needs to be done to make change and, ultimately, to prevent unnecessary or harmful events if we can.

Our Manufacturers

Lola&Lykke invests in fostering close partnerships with its manufacturers, supply chains and stakeholders. The Company takes regular visits to its factories to ensure they comply with the Business Social Compliance Initiative, which ensures that the environmental, ethical and social needs of the people within the factories are upheld and protected.

Lola&Lykke designs high-quality, long-lasting products that customers can enjoy and then recycle. The Company ensures sustainability in its packaging materials throughout its entire supply chain: 100% of the brand's packaging is recyclable and 95% plastic-free. The company's manufacturers are truly experts in their fields and are exceptionally passionate about what they do. Customers are not just buying into a brand – they are purchasing an item that has been meticulously crafted and lovingly made.

Due Diligence Process

Our manufacturer's due diligence process includes the following:

- A human rights policy for the organisation or meaningful guidance to those within the organisation and those closely linked to the organisation
- Means of assessing how existing and proposed activities may affect human rights
- Means of integrating the human rights policy throughout the organisation
- Means of tracking performance over time, to be able to make necessary adjustments in priorities and approach
- Actions to address the negative impacts of its decisions and activities

Packaging Sustainability

We are committed to shaping a waste-free future. Our vision is that none of our packaging ends up in landfill or as litter. We are helping create a future where cleverly designed packaging, innovative new materials, better recycling and reusable or refillable packaging can prevent waste from contaminating the land and oceans.

How we are working to reduce our environmental impact:

Over 95% of our plastic packaging will be designed for recycling systems by 2025, and we are committed to achieving 100% by 2025. We use recyclable cardboard packaging as far as possible, eliminating all non-essential plastic use in our packaging.

Supporting infrastructure that helps to make recycling easier:

We have a longer-term ambition to help stop plastic leakage into the environment across our operations. We will do this by supporting collection, sorting and recycling infrastructure in the countries where our products are sold and by aiming to collect and recycle the same amount of plastic as we use in our products under a 'one tonne in, one tonne out' principle.

Our Materials

We have consulted the Finnish Food Authority regarding the materials we use in our baby feeding equipment. This authority ensures the safety and regulatory compliance of materials and articles that come into contact with food. The most important aspect of all baby feeding equipment materials is that they are fit for purpose, so that they preserve food in best possible way, without releasing any harmful or banned substances into the food. All Lola&Lykke baby feeding equipment materials have been selected based on national and European regulatory advice, and further safety tested under the EN14350:2020 Child Care Articles – Feeding Equipment regulation.

Later in 2023, Lola&Lykke plans to unveil a product that will be using fewer virgin materials than before. In addition we plan to start collaborating with Sulapac, a Finnish sustainable materials producer (www.sulapac.com), regarding our other upcoming new product launches including cosmetics and breast care items. Sulapac packaging materials are made from wood and plant-based binders. Sulapac® is both beautiful and functional: like nature. It biodegrades fully without leaving permanent microplastics behind. Sulapac®

can be processed with existing plastic product machinery, making the switch from conventional plastic to an eco-friendly alternative straightforward.

Employee Sustainability

Employees are subsidised/incentivised for use of public transportation, carpooling, or cycling to work; Facilities are designed to encourage public transport use, cycling, or cleaner burning vehicles (e.g. electric chargers); Employees are encouraged to use virtual meeting technology to reduce in person meetings.

Employees are subsidised/incentivised for a waste management strategy that includes our office/home office waste and how employees should dispose of waste, the deadstock/unsold or returned items, the packaging etc. In Finland, paper and cardboard, glass packaging, metal, plastic, mixed waste, hazardous waste, electrical equipment and batteries are commonly sorted separately and sorting bins are available in every household. <https://www.infofinland.fi/en/housing/waste-and-recycling>

Net Zero Company

From 2023 we aim to have a strategy in place to become a net zero company (net zero greenhouse gas emissions GHGs) in line with the EU's commitment to global climate action under the Paris Agreement. We aim to reach net zero by absolute reductions (not offsets) by 2030.

From 2023, Lola&Lykke aims to have an active end-of-life product/component reclamation programme in place to increase the useful life of parts and components. The Company is also planning to introduce a low impact supply chain strategy including a policy that requires inbound freight or shipping to be transported via lowest impact methods (such as avoiding shipment by air transport); and regular measurement the impact of our logistics.

From 2023 onwards Lola&Lykke will produce an annual sustainability report to clearly communicate with our stakeholders about Lola&Lykke's sustainability efforts, where the Company is in its sustainability journey and what we are working towards to build transparent and trustworthy relationships with our consumers, employees, board, and other stakeholders.

As a remote-first workplace, Lola&Lykke consistently strives to excel in employee sustainability, subsidising the use of public transport, effective waste management and recycling.

Our unsold products are being gifted to midwives or other healthcare professionals and families with low income. If customer wishes to return a product that we are unable to resell, we recommend the customer to gift it to a friend in need instead. We never ask our customers to send back products to us that cannot be sold again.

We have a commitment to become carbon neutral, and to have corrective actions to identify and change plans to maintain neutrality. We regularly monitor and record our emissions and have set specific reduction targets relative to previous performance. The

annual reduction target has currently been set to -10% compared to the previous baseline year.

Carbon Offsetting

Lola&Lykke offsets its carbon footprint as part of the Terrapass monthly subscription plan, based on the company's actual headcount and verified carbon footprint from its manufacturing and freight activities. Terrapass is one of the most trusted carbon offset project providers in the US, with one hundred percent of their carbon offsets verified against broadly accepted standards by independent third party verifiers. All terrapass carbon offsets come from projects that are reducing CO2e today. Terrapass does not sell carbon offsets that depend on events far into the future, such as a forest growing to maturity or a wind farm that has not been built.