

2023

ESG Report



BIBS[®]
SINCE 1978



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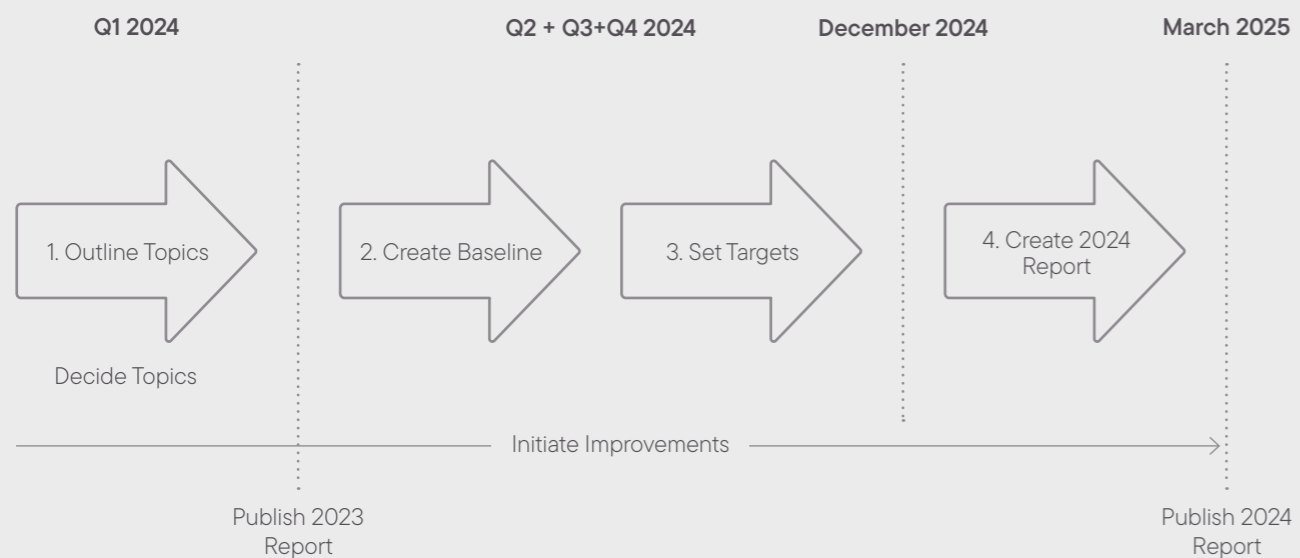
About the Report

At BIBS, we embark on an exciting journey to strengthen our commitment to corporate social responsibility through our Environmental, Social, and Governance (ESG) efforts.

As part of our overarching vision, we wish to foster sustainable and ethical business practices. We have worked with ESG initiatives for a long time, but now we are putting it on our strategic agenda.

This report marks the beginning of our strategic ESG work and serves as a crucial step in our journey as we outline the themes and topics that will shape our future ESG strategy.

Leading up to our 2024 report, we will work on collecting the necessary data within each topic to establish baselines for future measurement comparisons and progress. These baselines will guide us in creating ambitious yet realistic targets to drive our future ESG progress and accountability.





Letter from CEO

It is with great pleasure and a deep sense of responsibility that I introduce the BIBS' 2023 Environmental, Social, and Governance Report. This report represents the first important steps in our strategic journey towards greater sustainability and corporate responsibility, reflecting our commitment to positive global impact.

More than just a document, it also symbolizes the commencement of our combined efforts in ESG. This represents a critical moment that will shape the trajectory of our future business initiatives as we aspire not only for commercial success but also for a legacy of which we can be proud.

In order to move forward and improve, we acknowledge that this year lays the groundwork for future progress. We must first establish a baseline by measuring our current performance and collecting the necessary data in order to facilitate future comparisons and progress. While we always strive to better ourselves, improvement can only happen when we know where we're starting from and have clear targets to aim for.

We recognize that the journey ahead is multifaceted and demanding. However, we firmly believe that by working together and fostering a greater culture of transparency and responsibility, we can overcome these challenges and create a better future for generations to come.

Henrik Larsen
Owner and CEO



Impact Areas

We have chosen to focus on three impact areas:

1. **Combat climate change**
2. **Reducing waste**
3. **Treating each other fairly**

The three impact areas and the key subcategories within each area we will cover in this report are displayed below.

The selection of these areas and sub-areas aligns with the European Sustainability Reporting Standards (ESRS) and marks the first steps in our preparation for conducting a double materiality assessment, mandated by the Corporate Sustainability Reporting Directive (CSRD).

These three areas and their subcategories will serve as foundational pillars guiding our priorities until the double materiality assessment is completed. The final assessment will provide direction for BIBS moving forward, determining the standards (ESRS) requirements we must meet in future reporting. As such, the current impact areas are anticipated to evolve or broaden as we continue our future ESG work.

Combat Climate Change



- Energy consumption
- Water consumption
- Transportation/distribution
- Responsible design approach

Reducing Waste



- Packaging:
 - Recyclable packaging
 - Recycled materials in packaging
 - Sustainable packaging sourcing
- Waste management:
 - Recycled waste
 - Amount of waste
- Consumer information

Treating Each Other Fairly



- Company values and culture
- Employee code of conduct
- Employee engagement/satisfaction
- Whistleblower
- Employee development
- Employee health and safety
- Diversity
- Community engagement
- Certifications
- Supplier code of conduct



Impact Area 1

Combat Climate Change

In understanding our environmental impact, it's crucial to recognize the various scopes of emissions that contribute to our carbon footprint. Scope 1, 2, and 3 emissions encompass different facets of our operations, each requiring unique strategies and approaches for reduction.



Scope 1 covers direct emissions from our own production, such as fuel combustion in company vehicles and on-site operations.



Scope 2 covers emissions associated with the consumption of purchased electricity, water, or heat.



Scope 3 covers emissions from the full value chain.

In the following chapter, we discuss our approach to managing Scope 1, 2, and 3 emissions and highlight the topics we have prioritized for action.

Scope 1 and Scope 2 Emissions

In our organization, the source of Scope 1 emissions is mainly our company cars, which rely on fuel combustion for operation. Our production machinery is powered by electricity, so these emissions fall under Scope 2. We utilize water for on-site activities, particularly for our production cooling system. Traditionally, such water consumption would be categorized as Scope 1 emissions. However, as we purchase water from a utility company, we've opted to include water consumption in our Scope 2 emissions.

We have chosen to prioritize energy and water consumption within our Scope 2 emissions due to our belief that significant positive changes can be made in these areas. By focusing on energy efficiency and water conservation measures, we can directly impact our environmental footprint.

Energy Consumption

For years, our priority has been optimizing energy usage in our production. In 2023, we implemented energy-saving initiatives such as LED lighting, shutting down machines that are not in operation, and replacing old machinery with more energy-efficient alternatives.

Looking ahead, the focus will be on creating a method for correctly comparing our energy consumption, including all external factors, and not only looking at and comparing the energy we use internally in our own facilities. For instance, we assemble and package some batches of units in-house, and some are sent for external assembly and packaging. In this case, our subcontractor is responsible for the energy consumption associated with the assembly and packaging process. Therefore, a direct comparison of energy consumption evolution without accounting for such external factors does not provide an accurate reflection of our overall energy usage.

One of the steps in creating a baseline is implementing smart meters in our production that will measure 100% of energy consumption hourly. Leveraging advanced technology, this data will offer more precise measurements and allow us to separate information, providing insights into energy consumption per kilogram of plastic used in casting.

Water Consumption

The primary sources of water use in our Danish facilities are toilets, kitchens, and cooling systems in production. We already have a focus on reducing consumption and have, during 2023, secured a closed-end cooling system and changed toilets to new low usage toilets. Looking into 2024, we will focus on creating an overview of initiatives that can further reduce consumption.

Scope 3 Emissions

The majority of our total emissions come from our value chain, so reducing emissions in this area is an important focus area in the coming years. Going forward, it is imperative to gather data and establish a comprehensive overview of all Scope 3 emissions. This will enable us to set goals and initiate strategies to reduce consumption.

Within our Scope 3 emissions, we will, going forward, focus on distribution/transportation, waste management, and packaging. Waste management and packaging are described in detail on the next page under our second impact area: Reducing Waste.

Distribution/Transportation

In 2023, we focused on optimizing B2B order transportation through group loading, ensuring fewer shipments while maximizing transportation capacity utilization. Looking into 2024, we will continue this focus while also initiating the

collection of necessary data to establish a baseline for future measurement comparisons and being able to calculate CO2 emissions going forward.

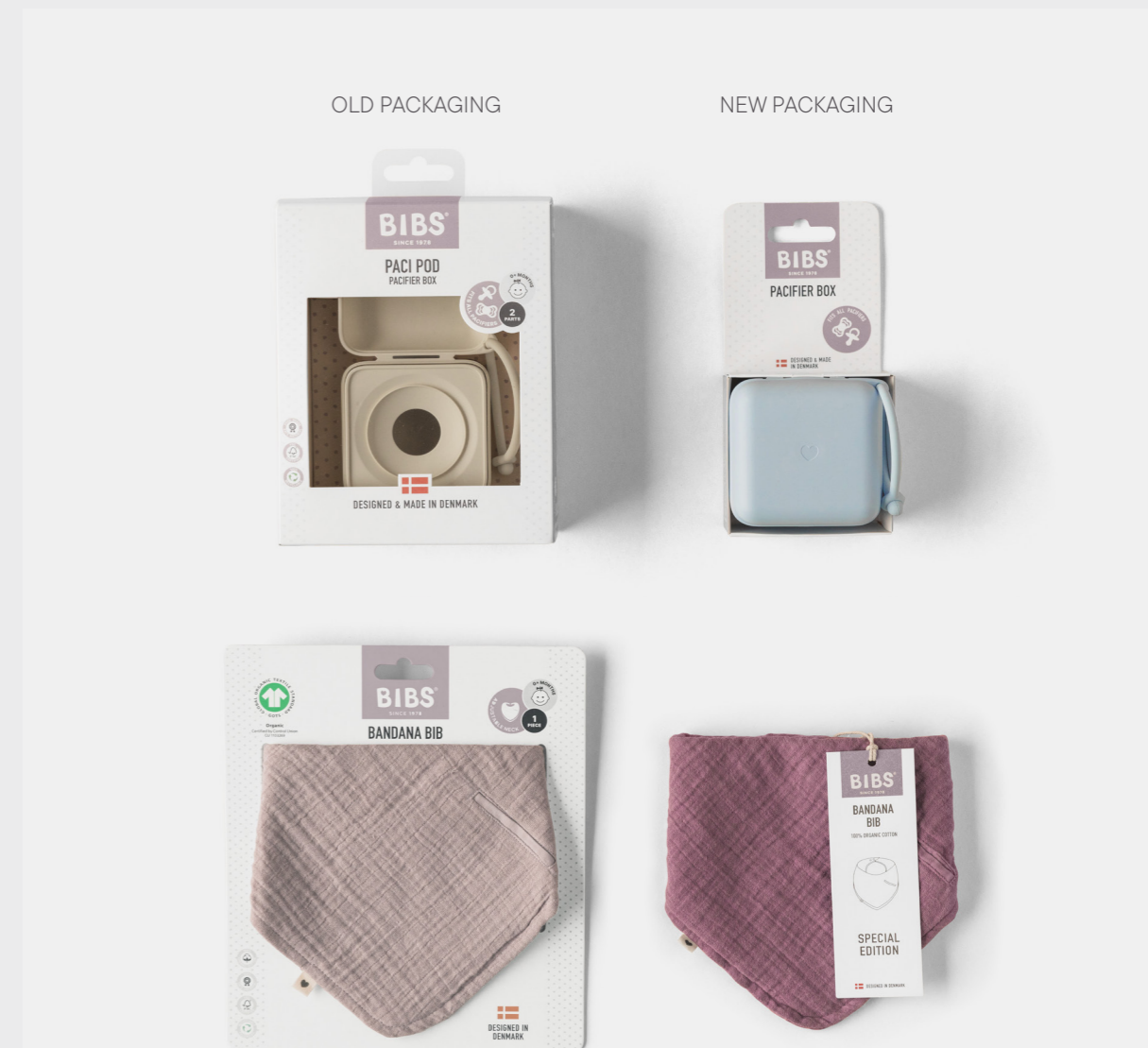
Responsible Design Approach

The last focus area within our Impact Area 1 we call 'Responsible Design Approach'. Our design approach involves 1. packaging design, 2. product design, and 3. in-store display design. This section deals with packaging design since this has been a priority the previous years.

We have been on a journey to minimize our consumer packaging to reduce material types, sizes, and thickness. We have currently minimized the packaging for our Bandana Bib by 90%. 69% for our Pacifier Box and 33% for our Baby Swaddles.

When designing packaging for new products, we likewise try to minimize the packaging while ensuring the product's safety and consumer experience. This focus will continue in 2024.

Looking into 2024, we will increase focus on the other two focus areas within the overall 'responsible design approach', which is 'product design', and 'in-store display design'.



Impact Area 2

Reducing Waste

In our efforts to reduce waste, we have chosen to focus on two sub-areas: packaging and waste management:

Packaging

Whereas the consumer packaging design and efforts to minimize this are described in the prior chapter, lies our focus on minimizing packaging waste within three focus areas:

1. Recyclable packaging

Our target to have 100% recyclable consumer packaging has been a priority for many years. We have specifically designed our consumer packaging to be easy to take apart, making the different materials easy to separate and waste sort. We only use cardboard and clear mono-plastic materials, both recyclable materials. In 2024, the focus will be on secondary and tertiary packaging to ensure recyclability.

2. Recycled materials in packaging

We are dedicated to increasing the share of recycled materials in our packaging. Therefore, our focus in 2024 will entail three key objectives: 1. Exploring the technical possibility of integrating recycled materials into our packaging. 2. Establishing a baseline to quantify the current proportion of recycled materials used across all packaging. 3. In a dialog with our suppliers, we want to establish requirements regarding the proportion of recycled materials they provide.

3. Sustainable packaging sourcing

We already strive for paper and cardboard to be FSC-certified. The Forest Stewardship Council (FSC) is a global, non-profit organization promoting responsible forest management worldwide. FSC sets certain high specifics to ensure that forestry is practiced in an environmentally responsible and socially beneficial manner. Looking ahead, we want to maintain our commitment to using FSC-certified materials while creating a baseline for the share of FSC-certified materials we currently use and spreading this to include all packaging types.

Waste Management

We have decided to focus on two areas with our waste management: 1. increasing the amount of waste being recycled and 2. decreasing the total amount of waste from our own facilities in Denmark.

1. Recycled waste

Most of the plastic waste from our production is sent to the Danish company AVL, the largest company in recycling high-quality plastic in the North. For every kilo of recycled plastic from AVL, the environment saves 4 kg of CO2 compared to incineration (data from AVL). In 2024, we will explore the possibility of forming new partnerships for recycling and expanding the range of recyclable plastics beyond the current scope.

2. Amount of waste

We are committed to minimizing the overall waste generated by our Danish facilities. Each type of waste necessitates its own strategy for reduction.

- Plastic waste from production.
- Products or product parts being scrapped due to quality issues found in production.
- Products being scrapped due to exceeded shelf life in the warehouse.
- Packaging waste for internal transportation between BIBS facilities.
- General waste from all locations.
- Packaging waste generated from selling products to consumers.

Looking into 2024, we will focus on collecting the necessary data to establish a baseline for future measurement comparisons and progress. In relation to the packaging waste generated from selling products to consumers, this is something we are already actively engaged in as part of our compliance with the 'Packaging and Packaging Waste Directive', where we are required to report the quantity of packaging waste we manage and dispatch to the markets.

Consumer Information

We want to help consumers prolong the life of their BIBS products through the proper product care. Both so our products can be used for many years without needing replacement¹, or so that they can be passed on for second hand. That is why our 'BIBS Blog Universe' continuously posts content about cleaning and caring for your BIBS products.



Packaging definitions:

1. *Primary packaging: Consumer packaging*
2. *Secondary packaging: The packaging that surrounds the primary packaging and helps protect and support the product during transport, storage, and handling.*
3. *Tertiary packaging: The outer packaging used to group and protect multiple units of the primary or secondary product during transport, storage, and distribution.*



¹ Does not include pacifiers. Pacifiers should be replaced every 4-6 weeks.

Impact Area 3

Treating Each Other Fairly

BIBS has a responsibility to treat all employees, suppliers, customers & other stakeholders fairly and with dignity.

Company Values and Culture

Our 'Employee Code of Conduct' plays a crucial role in shaping the BIBS culture, setting expectations, promoting ethical behavior, and providing a framework for handling various situations that may arise in our workplace.

We are a growing company, and our values are shaped with this in mind. With a continuous flow of new people coming on board and becoming a part of the BIBS family, our culture is under constant influence and change.

Staff Manual

Our 'Staff Manual' describes working hours, pension scheme, health insurance, parental leave, and much more. It also describes our zero-tolerance policy for discrimination and harassment.

Employee Engagement & Satisfaction

In late 2023, we introduced Winning Temp, an employee engagement platform designed to gain accurate, detailed, and up-to-date insight into how your organization is feeling. Weekly questions aim to enhance our understanding of the ongoing dynamics within BIBS, assess employee satisfaction, and identify any potential signs of unhealthy habits or sentiments. It gives valuable insight and feedback that can be used to improve employee engagement and retention, identify areas for improvement, improve communication, and help us benchmark our performance.

Whistleblower

Winning Temp also serves as a whistleblower system, where employees can anonymously raise concerns or address misconduct or other violations of company policies or regulations.

Employee Development

Twice every year, we conduct employee development interviews to identify areas for professional development and growth for our employees, facilitate career progression, and align employee goals with company goals.

These conversations nurture a continually growing and thriving workforce, paramount to our organization's success. With the development conversations, we strive to foster a positive work environment, enhance productivity, and ensure

employee satisfaction. This aligns individual career aspirations with our organizational goals and contributes significantly to talent retention and overall company performance.

Further, in 2023, we established 'BIBS Academy' - a training program designed to uphold and enhance quality assurance practices in our Danish production. BIBS Academy serves as a cornerstone of our quality management approach, providing employees with specialized training and resources to effectively identify and address potential quality errors.

Employee Health and Safety

Our employees' health and safety are, of course, crucial for BIBS. Emergency exercises are held every year in all locations. For the employees who handle machinery, chemicals, and heavy machines, we conduct the proper education and training related to their individual tasks.

Further, we hold monthly safety rounds at our production and warehouse, where all safety considerations are reviewed and documented.

Diversity

As a company having offices in 4 countries and having more than 20 different nationalities across our Danish facilities alone, needless to say, our colleagues have different cultural backgrounds. We believe that this promotes diversity, strong values, and great collaboration. BIBS is committed to creating an inclusive and diverse workplace because we believe that a wide range of perspectives, backgrounds, and experiences leads to better problem-solving, decision-making, and innovation.

Community Engagement

At BIBS, we support various initiatives and invest time in supporting local charities. Our mission is to keep and work together with organizations that help support vulnerable families and children in need worldwide.

In 2023, we donated a mix of products and money. Below, we have included three of the initiatives we prioritized to support in 2023.

1. We have supported 'Team Rynkeby', an organization that collects funds for the Children's Cancer Foundation. The donation consisted of 20.000 DKK.
2. We are an official partner of Charité University Hospital in Berlin, where we have donated 1000 swaddles to their maternity ward.

3. In December, we held an event in Denmark, collaborating with the Danish Charity organization 'Mødrehjælpen'. Mødrehjælpen works to create a safe and developing environment for exposed and vulnerable pregnant women, parents, and children.

Certifications

All our products are made in compliance with international safety standards and certifications. Further, we prioritize the below credentials:

OEKO-TEX standard 100

STANDARD 100 by OEKO-TEX® is a globally standardized, independent testing and certification system for textile raw materials, intermediate and end products of all processing stages, and accessory materials.

Global Platform for Sustainable Natural Rubber (GPSNR)

All our natural rubber latex suppliers are members of the Global Platform for Sustainable Natural Rubber (GPSNR). As a member of the GPSNR, our suppliers have implemented a High-level Commitment. It is focused on eliminating deforestation and ecosystem conversion from the supply chain and safeguarding human rights across all operations. The commitment also aligns with the principles and guidelines in the UN Guiding Principles for Business and Human Rights and the ILO fundamental conventions.

ISO 9001

BIBS is ISO 9001 certified and continuously works on our processes and management system - all to ensure a solid foundation for a quality business.

As a part of this certification, we will also focus on suppliers with ISO certifications. If impossible, BIBS will ensure suppliers' management practices comply with relevant laws and international standards.

BIBS expects suppliers to put appropriate management systems in place to support the implementation of international standards and sound processes. Appropriate management systems include effective due diligence procedures to detect, prevent, and mitigate any adverse impacts of corruption, human rights, labor rights, occupational health and safety, and the environment. Policies within all relevant areas, such as health and safety, human resources, corruption, and the

protection of the environment, must be clearly defined and communicated to all workers and other relevant stakeholders. Procedures and management systems must be in place to ensure that policies are always followed.

ISO 14001

BIBS is also ISO 14001 certified and works with an implemented environmental management system. The certification highlights the areas where BIBS can improve our environmental footprint. BIBS is committed to continuously improving environmental performance to support a sustainable future and meet increasing customer and stakeholder demands and expectations. We will prioritize supplier partners who are also ISO 14001 certified.

Supplier Code of Conduct

We are committed to treating all employees, contractors, and suppliers with respect and in compliance with all relevant laws and regulations related to labor and human rights. We recognize our responsibilities to workers for the conditions under which our products are made.

Looking into 2024, we want to include selected "sustainable goals" in our Supplier Code of Conduct.



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