AXKID Group

Sustainability
Report 2023

Contents

Dear Stakeholders,

Welcome to Axkid's 2023 sustainability report, where we proudly showcase our unwavering commitment to child safety and environmental responsibility. This year, Axkid has taken a bold leap forward in our quest for sustainability leadership by wholeheartedly embracing the goals of the Paris Agreement through a strategic decision by our esteemed board.

Our partnerships with suppliers have never been stronger, ensuring full transparency and the adoption of ethical practices across every aspect of our operations. This united effort is backed by a roadmap that guides us towards achieving net-zero emissions, proving our dedication to minimizing our environmental footprint.
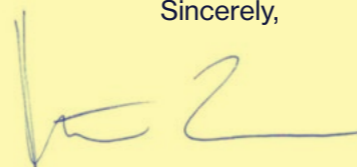
We're also thrilled to unveil our latest innovation: a cutting-edge child safety product crafted from state-of-the-art biomaterials.

Not only does this groundbreaking development reinforce our commitment to safety, but it also showcases our dedication to sustainability in action.

Despite the economically challenging landscape, Axkid remains steadfast in delivering unmatched value to our customers and shareholders while upholding the highest standards of ethics and sustainability. Our achievements are a testament to the unwavering dedication of our exceptional team, collaborative partners, and visionary board members.

Together, we're not just making promises – we're making progress towards a brighter, safer, and more sustainable future. Join us on this journey and be a part of something truly remarkable. With your continued support, we're confident in our ability to lead the way in sustainability and child safety, shaping a better world for generations to come.

Sincerely,

Daniel Johansson
CEO, Axkid

About this report

This report is structured using the GRI standard.

The report will be issued on a yearly basis.

Statement of use

Axkid has reported the information cited in this GRI content index for the period 2023-01-01 to 2023-12-31 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

List of reported disclosures: A list of reported disclosures and reference to location of the information can be found in annex 1 of this report.

Entities within the Axkid group included in sustainability reporting:

- Axkid AB
- Axkid UK Ltd
- Axkid GmbH
- Axkid SaS
- Axkid (Jiangsu) Safety Seat Co., Ltd.

Reporting period for financial reporting: 2023-01-01 to 2023-12-31

Publication date: 2024-04-01

Contact point

Johan Andersson, CSTO
(Chief Sustainability and Technical Officer)

johan.andersson@axkid.com

This is Axkid

We're proud to be pioneers of extended rear-facing car seats and advocates for children's traffic safety. Our mission is to set new standards for children's safety in traffic while also working towards a better, more sustainable world.

Recognising that the youngest explorers deserve the best protection and comfort, we draw on our Swedish heritage in safety, innovation, and design to create some of the safest car seats available. Our commitment to pioneering children's traffic safety goes beyond production. We're dedicated to sharing our knowledge and educating others about children's safety in traffic.

Guided by our core values of knowledge, innovation, and dedication, we're committed to continuous improvement, both in ourselves and our products. We do this to bring adventures to children and peace of mind to parents.

Axkid AB, established in 2009 by Tony Qvist and Tony Broberg, who had prior experience in child safety and car seats across multiple companies. They assembled a core team from the car seat sector and Swedish automotive industry and introduced Axkid's first seat to the market in 2011.

Axkid's company objectives

OUR WHY
We want to bring safety and peace of mind to families in their everyday lives all over the world.

OUR HOW
By being the global thought leader on safety products for children on the move.

OUR WHAT
Manufacturing safe and comfortable car seats. Educating about safety and the important usage of rear-facing seating for as long as possible.

OUR PROMISE
We bring adventures to children and peace of mind to parents.

Milestones in the history of Axkid

Axonkids is founded by Tony
Qvist & Tony Broberg

First car seat launched
outside of Sweden

The company is introduced
to the stock market

Launched in over
10 markets outside
Nordics

Launch of the Axkid
Modukid Modular System

The revolutionary Axkid
ONE is launched!

Launches of new versions of our Minikid
platform. First platform to 36 kg

Launch of our latest
platform for our oldest
adventurers Axkid Up

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

First car seat is
introduced on the
Swedish market

Minikid is launched
on all markets

New visual identity.
Changed name from
Axonkids to Axkid

Introduced direct
sales through
Axkid.com

New ownership:
SEB private equity

Launched our rental
model Axkid Care

Axkid Core Values

These are our guiding principles in our everyday work.

Knowledge

We develop and design our products in-house and manufacture them at our own plants based on evidence and best practice.
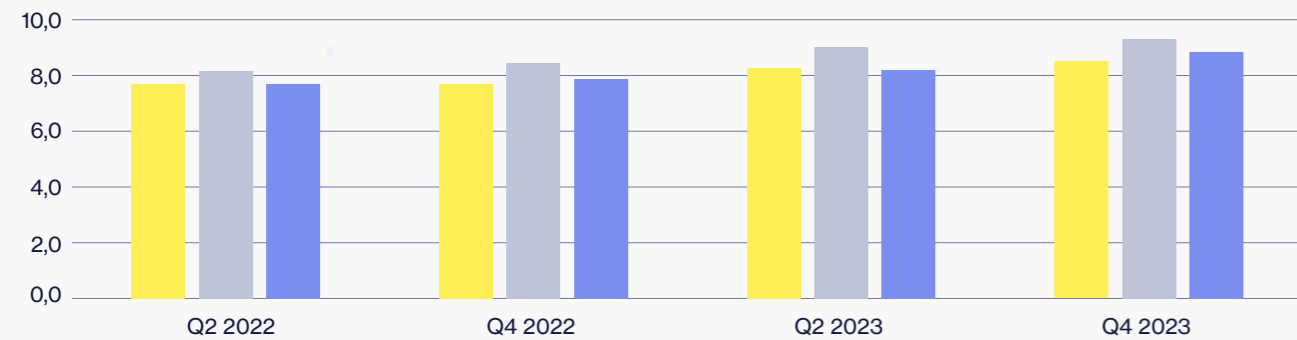
Innovation

Our products and solutions are based on technology and development that we engineer ourselves.

Dedication

All Axkid employees and partners **know** what they need to do to bring safety and peace of mind to parents when they are buying a new safety product for their children.

Results for 2023:

- Innovation
- Dedication
- Knowledge

Bar chart with values approximately:
- Q2 2022
- Q4 2022
- Q2 2023
- Q4 2023

Y-axis from 0,0 to 10,0

Our core values form the acronym 'KID' and this is an integral part of our company identity
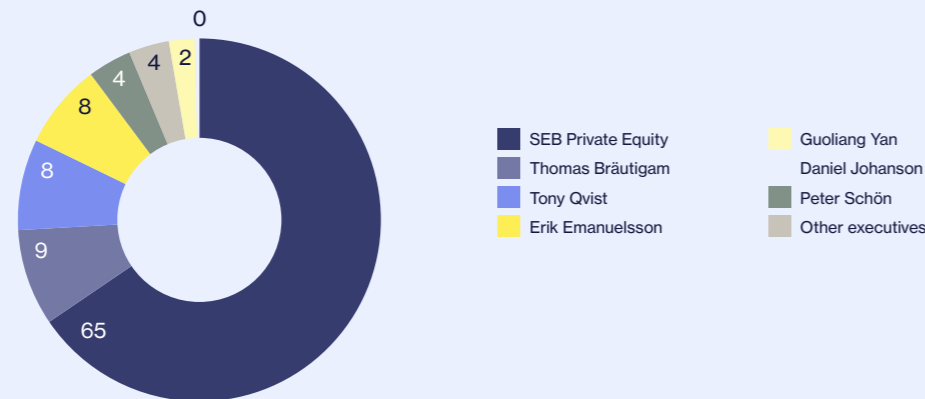
Ownership

Axkid AB, a Swedish Limited Company, operates with legal status enabling contract signing, employee hiring, and asset ownership. Shareholders have limited liability for the company's activities, akin to British LTD or Limited. Axkid AB initiated consolidated accounts in 2019.

Its shares were traded on the Spotlight Stock Market from 2014 to 2022.

Axkid AB has the following ownership structure:

Axkid AB is owned to 100% by Caution Ax BidCo AB, (Org. No. 559286- 5405), which in turn is owned to 100% by Caution Ax Holdco (Org. No. 559286-5397), which in turn is owned by:

■ SEB Private Equity	■ Guoliang Yan	
■ Thomas Bräutigam		Daniel Johanson
■ Tony Qvist	■ Peter Schön	
■ Erik Emanuelsson	■ Other executives	

Pie chart values: 65, 9, 8, 8, 4, 4, 2, 0

Governance

Financial disclosures are available in our annual financial report.

At Axkid, the highest governing body is our company board, appointed by shareholders in accordance with Chapter 8 of the Swedish Companies Act. Members receiving the most votes during the general meeting, composed of shareholders, are elected to the board. The board appoints key positions such as the chairman and CEO.

Daily operations are overseen by our management team, comprising senior managers from departments including Operations, R&D, and Commercial. The Commercial department, managed by the leader responsible for sales teams in the UK, Germany, France, and Sweden, plays a crucial role in our business strategy.

Board composition:

- Thomas Bräutigam, Chairman
- Erik Emanuelsson
- Peter Schön
- Magnus Ramström, SEB Private Equity
- Maria Bilkenroth, SEB Private Equity
- Karin Wahlström, Norden

No representation of worker unions or other groups important to diversity.

Share of board members that are women
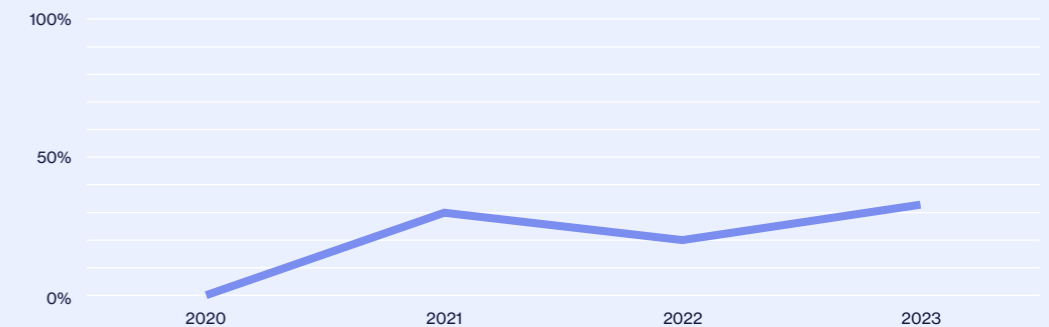
Management team composition

- Daniel Johansson, CEO
- Dennis Bäcklund, CFO
- Daniel Lundgren, Safety & Compliance Manager
- Anton Wall, Executive Vice President & Commercial Director
- Johan Andersson, CSTO

No representation of worker unions or other groups important to diversity.

Axkid's approach to safety

Our mission is to safeguard children's lives and foster a better, more sustainable world. We achieve this by prioritising safety and providing families with peace of mind through rear-facing car seats, a proven lifesaving solution.

Research indicates that rear-facing car seats offer up to five times greater safety compared to forward-facing seats for children. This heightened safety is attributed to the unique physiology of children—they are not miniature adults, but rather individuals with developing bodies and distinct proportions.

A child's anatomy

Children's bodies are more susceptible to the forces generated during car accidents due to their immature skeletal structures and differing body proportions. Understanding this crucial distinction is paramount to comprehending the effectiveness of rear-facing car seats in protecting young passengers. Allow us to elaborate:

1 year: 25 %   3 year: 18 %   6 year: 16 %   10 year: 11 %   Adult: 6 %
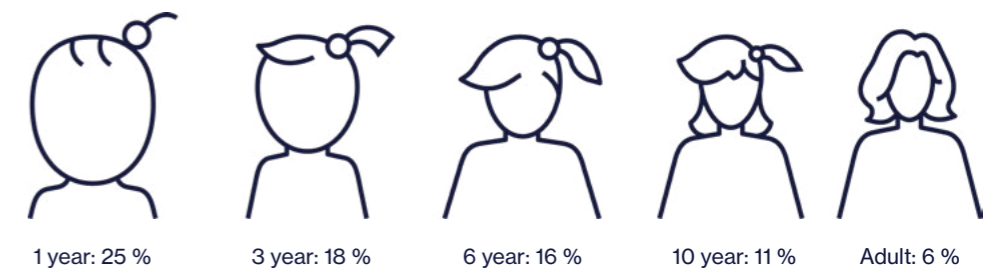
The ratio between head and body

Approximately 25% of a child's total weight is concentrated in their head, compared to only around 6% for adults. This disparity highlights the importance of proper support, especially during the critical first 9-12 months when infants cannot hold their heads up independently. To address this vulnerability, it is imperative for infants to travel in rear-facing car seats during this developmental stage. However, a common practice observed worldwide is transitioning children to forward-facing seats as soon as they can sit upright unsupported. Our recommendation is to keep children rear-facing until they reach 5-6 years of age, ensuring optimal safety and support throughout their early years.

|	Newborn	9 months	18 months	3 years	6 years	10 years	Adult man
Head weight kg	0,7	2,2	2,7	2,7	3,5	3,6	4,5
Body weight kg	3,4	9	11	15	22	32	75
Ratio head/body weight %	21	25	24	18	16	11	6

A child's anatomy

NECK DEVELOPMENT

During childhood, the neck is vulnerable due to its ongoing development. Protecting and supporting it is crucial, especially given the weight of the head. Early on, the neck lacks sufficient bone structure to prevent lateral movement, increasing the risk of injury. By age 5 to 6, the neck matures, reducing the risk of severe injury in a collision. Forward-facing travel too early can lead to significant risks, including internal decapitation. This phenomenon, where vertebrae move laterally, poses serious threats to the spinal cord and airways. Children, with their dynamic movements during crashes, are particularly sensitive to neck injuries. Hence, prioritising rear-facing travel for as long as possible is essential for their safety.

|	0–1 year	1–3 year	3–6 year	Adult
Side view				
	0–1 year	1–3 year	3–6 year	Adult
Top view				
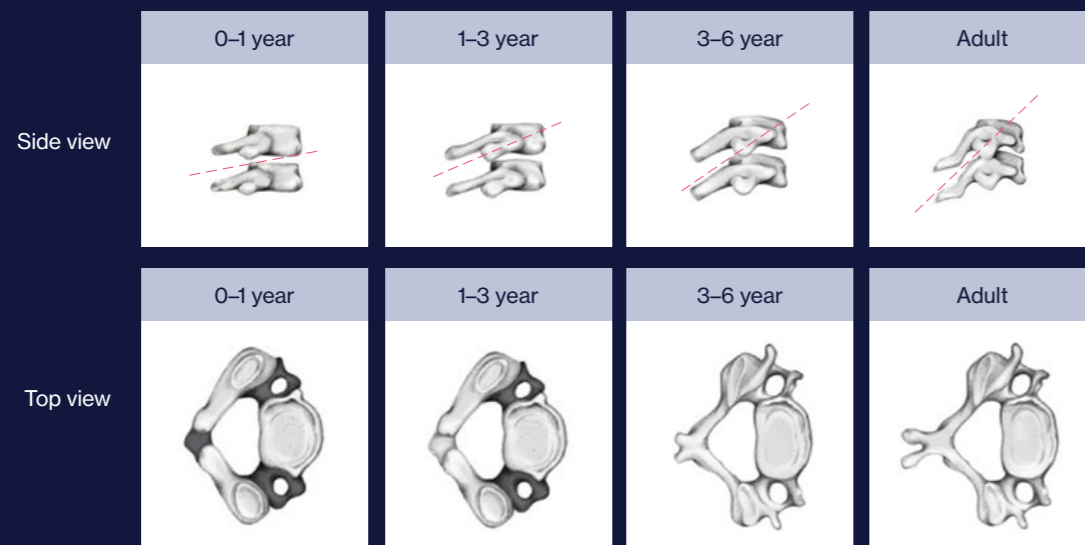
Source: Burdi et al 1969

PELVIS DEVELOPMENT

The pelvis of a child is still developing and lacks the stability of an adult's pelvis. It contains more cartilage, and the distinctive "horns" (picture A, note 1) typically seen from ages 3 to 6 have not yet formed. In forward-facing seats, including vehicle seats, the lap belt is typically guided to be caught in these horns. However, for smaller children without fully formed horns (picture B), there's a greater risk of the lap belt sliding up onto the stomach, potentially causing internal injuries – a phenomenon known as submarining.
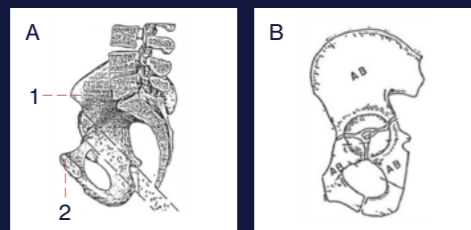
Source: Burdi et al 1969

Our solution: extended rear-facing
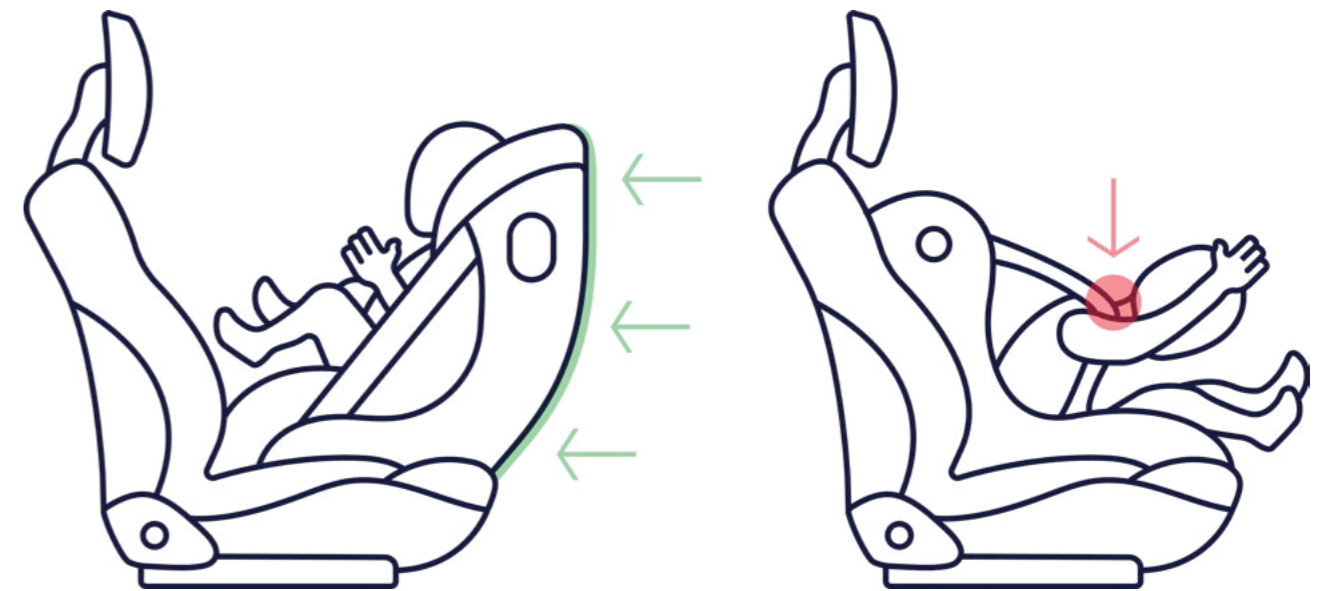
A rear-facing car seat provides comprehensive support to the child's back, neck, and head, effectively distributing crash forces across a larger area. This significantly reduces pressure on the sensitive neck and minimises the risk of submarining. Additionally, it helps prevent excessive force concentration on the soft abdominal areas, enhancing overall safety.

Sweden's dedication to rear-facing travel

In Sweden, rear-facing travel for children has been widely embraced, owing to over 50 years of pioneering research in this field. Professor Bertil Aldman of Chalmers University in Gothenburg conceived the concept of rear-facing car seats in 1964, inspired by the protective positioning of astronauts during launch. His innovative prototype aimed to spread g-forces across the entire back, reducing the risk of life-threatening forces during frontal collisions.

Today, Swedish parents are well-informed about the dangers of forward-facing too early, opting instead for car seats that prioritise a rear-facing position for as long as possible. This cultural shift underscores Sweden's commitment to child safety and serves as a testament to the enduring impact of Professor Aldman's groundbreaking research.

Fatalities among children 0–5 years old per 100.000 inhabitants
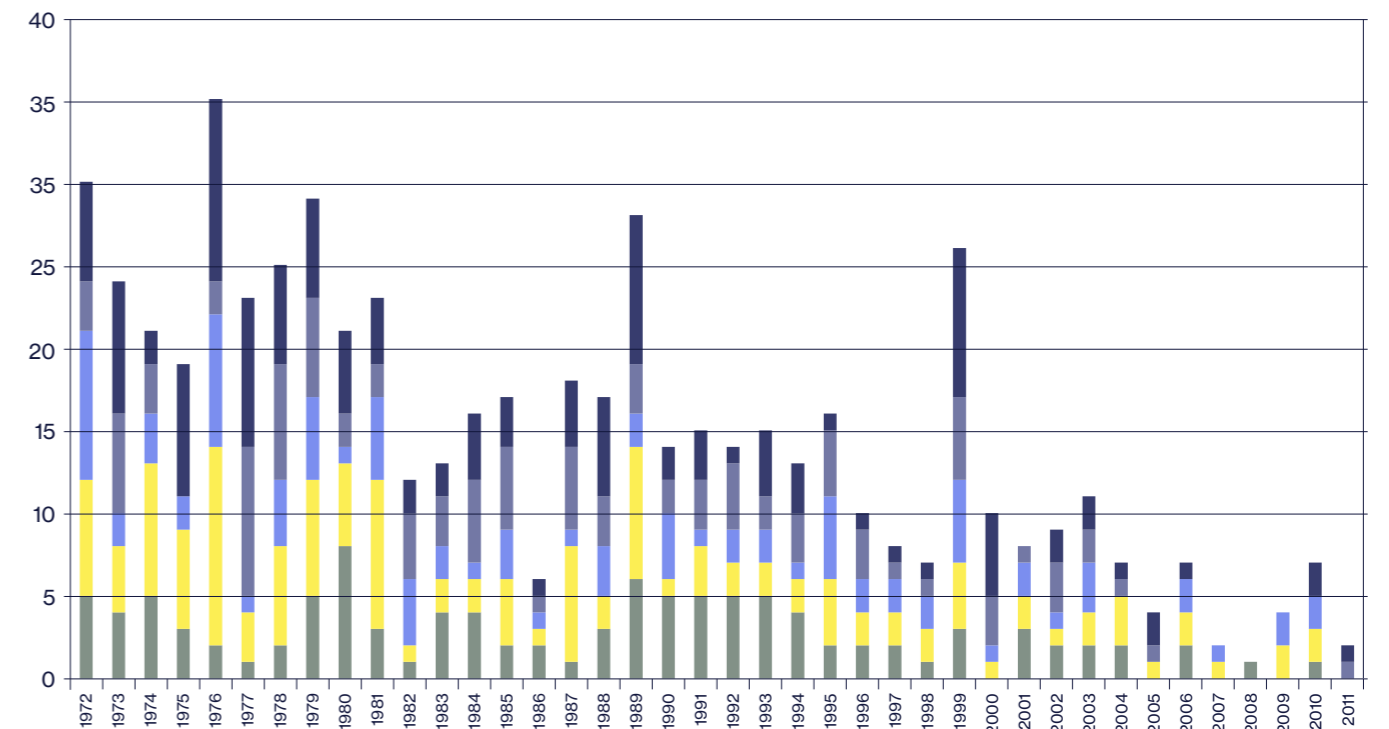
Source: IRTAD Road Safety Annual Report 2016
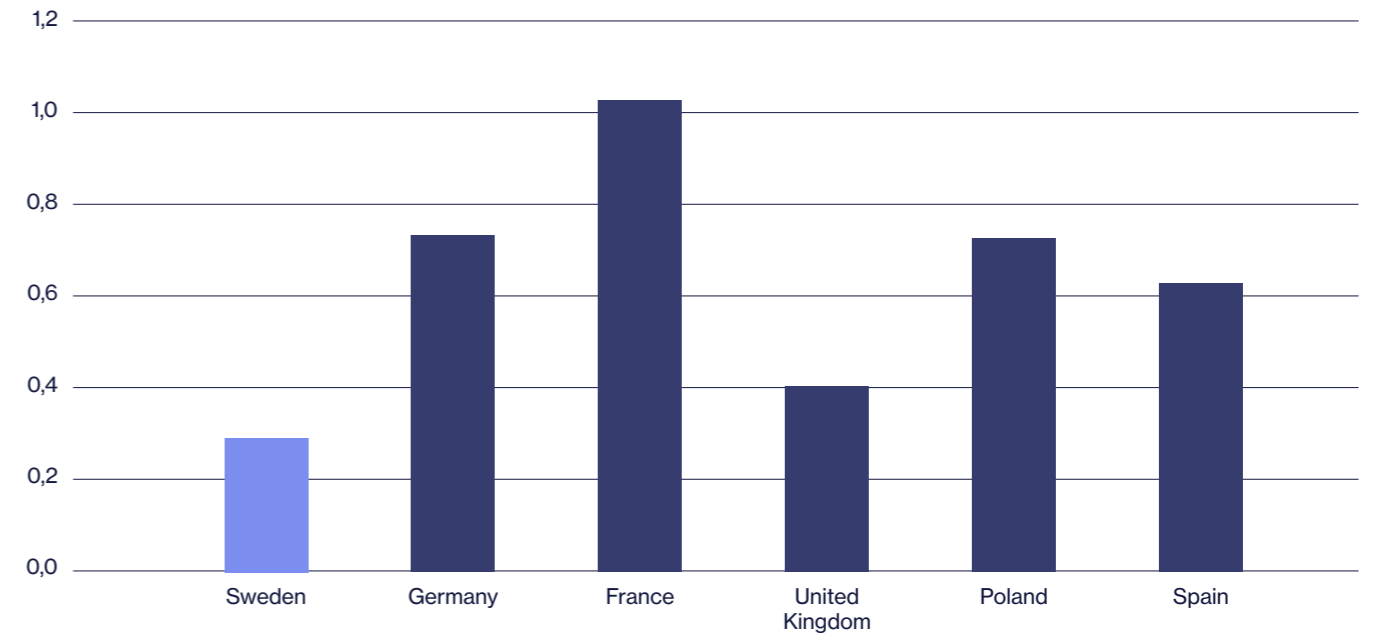
Child car occupant fatalities in sweden during six decades

Source: Carlsson et al, IRCOBI, 2013

Legend:
- 13–14 years of age
- 10–12 years of age
- 7–9 years of age
- 4–6 years of age
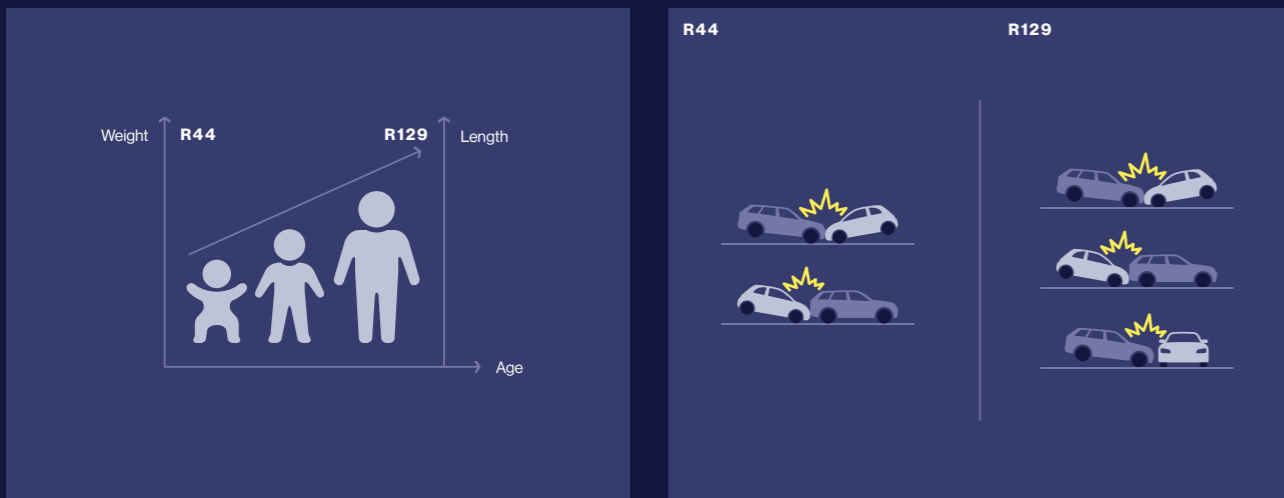- 1–3 years of age
- 1–3 years of age

How we meet legal and real life requirements

In Europe, the sale of child car seats requires approval under the ECE R129 regulation, which replaced the older ECE R44 regulation in 2013. Key differences between R44 and R129 include the use of advanced Q-dummies for crash testing, the addition of side impact requirements, and the classification of seats based on length rather than weight. All new Axkid products comply with the R129 regulation.

Approval under ECE R129 necessitates dynamic crash testing using standardised setups, rigs, and dummies. Manufacturers must demonstrate that their seats reduce dummy values below specified limits. Additionally, production facilities undergo rigorous audits, with ongoing impact testing ensuring long-term safety.

While these tests are critical for safety assessment, they do not replicate real-world crashes with actual children. Hence, Axkid prioritises real-world safety in product design, ensuring integration with vehicle safety systems, easy installation, and minimal potential for misuse. Through comprehensive user manuals and installation support, we strive to provide peace of mind, guaranteeing maximum safety for our users.

R44

Age
Weight

9 kg

R129

Age
Weight

18 months

AXKID RECOMMENDS

Age
Weight

6 years

Weight | **R44** | **R129** | Length

Age

R44 | **R129**

At Axkid, ensuring the safety of our products is paramount, guided by legal requirements and our ambitions for real-life safety. We employ several key tools and methodologies:

REAL-LIFE SAFETY

We integrate insights from actual collisions and our extensive product track record, ensuring our solutions are not only optimised for test rig crashes but also for real-world scenarios. Our development process includes test scenarios from both product approval and voluntary schemes, as well as extreme scenarios to validate performance.

COMPUTER AIDED ENGINEERING

CAE is integral to our product development, facilitated by a long-term partnership with external consultants. This collaboration enables us to iteratively refine designs, using simulation, functional design, usability, and consumer evaluations to achieve optimal safety and usability.

CHEMICAL SAFETY

We prioritise chemical safety by rigorously testing all components and materials in contact with the child. Compliance with the REACH regulation guides our approach, ensuring adherence to strict requirements for chemical content and safety standards.

CRASH TESTING

Prototypes and small series seats undergo rigorous crash testing in specialised rigs to validate CAE results and performance across diverse scenarios and environments.

DESIGN PROCESS

We actively engage in various forums and research projects to enhance our knowledge base. Insights gained inform our design processes, driving continuous improvement and innovation.

The results

The results are award and test winning seats, loved by parents throughout Europe as seen below:

reddot winner 2021

Baby Product of the year Sweden 2020

ADAC Test good (2.1)

2023 Bäst Folksam

BÄSTA PREMIUMVAL Bäst-i-Test 2023

Testimonials from real life

AXKID.COM/ARTICLES/TRUE-STORIES

We gather testimonials from parents involved in crashes, many reporting that children seated in rear-facing seats emerge unharmed from serious accidents. These firsthand accounts serve as compelling evidence of the safety and effectiveness of our seats.

Axkid's value chain

Throughout 2023, we meticulously mapped out our value chain, through a number of workshops and desktop research. This comprehensive overview serves as the cornerstone for our materiality assessment, stakeholder engagement, and various data preparation efforts for this report. Our methodology involved employing PESTEL analysis and internal workshops to identify key components, complemented by detailed desktop research to fill in the finer details.

In essence, our value chain encompasses multiple supply chains spanning manufacturing locations, internal operations, logistics, and diverse sales channels. While not directly integrated into the value chain, we also consider the broader operating environment, encompassing factors and stakeholders that impact our business.

In the upcoming chapters, each major area will be thoroughly explained.

Our value chain
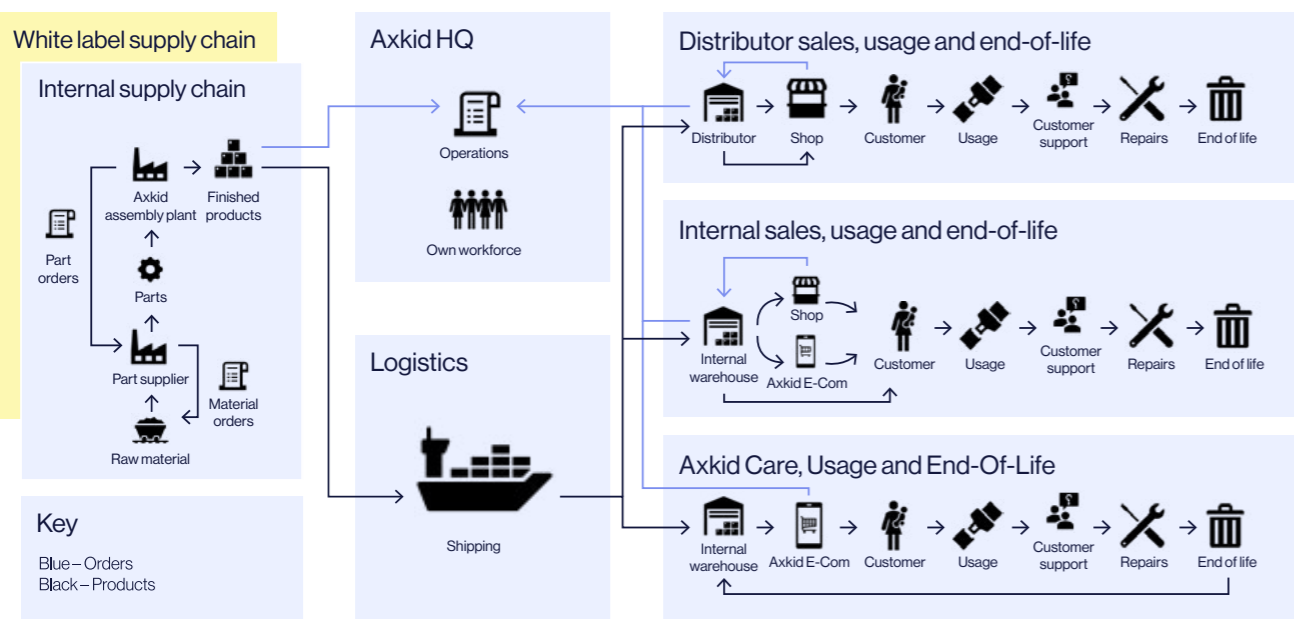
Business environment

Our operations are shaped by the environment in which we operate, necessitating consideration of our stakeholders.

Below, we outline the stakeholders, their concerns, and our approach to engagement.

Area	Implications for Axkid	Stakeholder groups	Engagement
Financial market	To be "bankable" in the future Axkid needs to report sustainability metrics to banks	Banks	Direct discussions
Laws and regulations	Axkid is fully responsible for our own markets and partly responsible for distribution markets. We need to analyse and assess legal requirements in each country where we operate	Governments in the countries where we operate	Desktop research and direct communication through initiatives such as workplace health and safety inspections, reporting requirements, etc.
Competitors and technology	Competitors and technology influence Axkid's sustainability efforts by setting benchmarks, driving innovation, and shaping consumer expectations	Competitors, Partners, Automotive industry	None, input is based on shared knowledge within the company
Company owners	For our current owner, Axkid is part of their Scope 3. They have an ambition to be climate neutral by 2040. We realise that sustainability work is a critical factor for the valuation of a company	Contacts at owners' company, Axkid board members	Direct discussions
Public relations	Our work to influence community perceptions, legislators and NGOs. Public relations play a vital role in shaping the perception of Axkid's sustainability efforts, creating trust with stakeholders, and amplifying impact of our initiatives	Consumers	We engage with our users through surveys, and their views are considered when shaping our projects
Nature	Our effect on nature in a broad meaning. Nature is one of our major stakeholders. We engage in sustainability to reduce our impact on nature and play our part in creating a sustainable future for coming generations	Representative for nature (WWF, EPA or similar)	Desktop research
Customer requirements	Customer requirements influence Axkid's sustainability efforts by driving demand for eco-friendly products and services, sustainable practices and transparent communication about environmental and social responsibility	Large online retailers Smaller chains Distributors	Direct discussions
Political factors	Political factors influence Axkid's sustainability initiatives by affecting global supply chains, trade agreements, and international cooperation on environmental issues, thus shaping regulatory environments and market dynamics for sustainable practices	The international community	Desktop research, following the news and other information sources

White label supply chain

When we brand products from other producers, such as Nextkid and Spinkid, we engage in a supply chain where our control over part manufacturing and supplier selection is limited. Components are sourced from various sub-suppliers chosen by the producer and assembled at their facility, where we can only specify certain requirements.

Compared to in-house manufacturing, our oversight here is reduced. We influence assembly specifications at the branding facility but lack direct supervision over part production and and sub-supplier selection.

While these products aren't our main focus, we initiated a project this year to collect basic sustainability data from these suppliers.

Additionally, all suppliers possess ECE R129 factory and product approvals and undergo regular audits for product and assembly quality as well as continuos crash testing to guarantee consistent safety. We closely monitor audit scores and prompt suppliers to address any deviations.

First time right yield
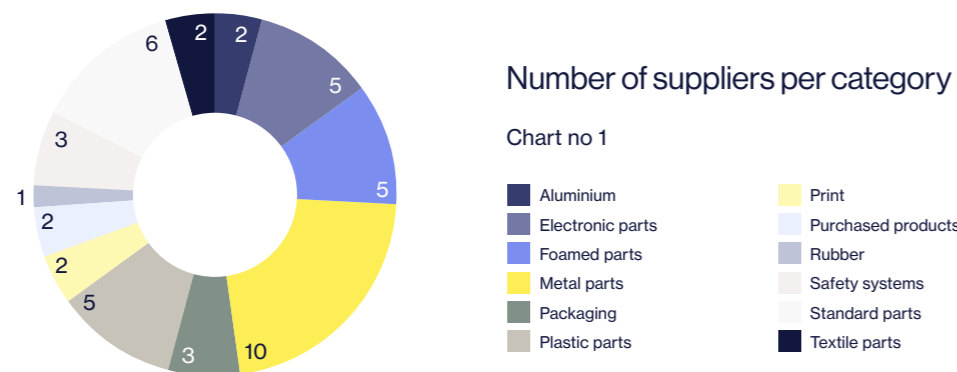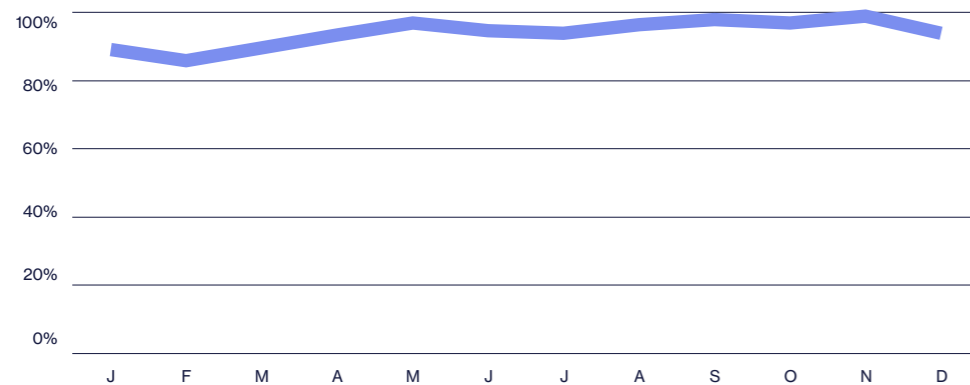
Number of suppliers per category

Chart no 1

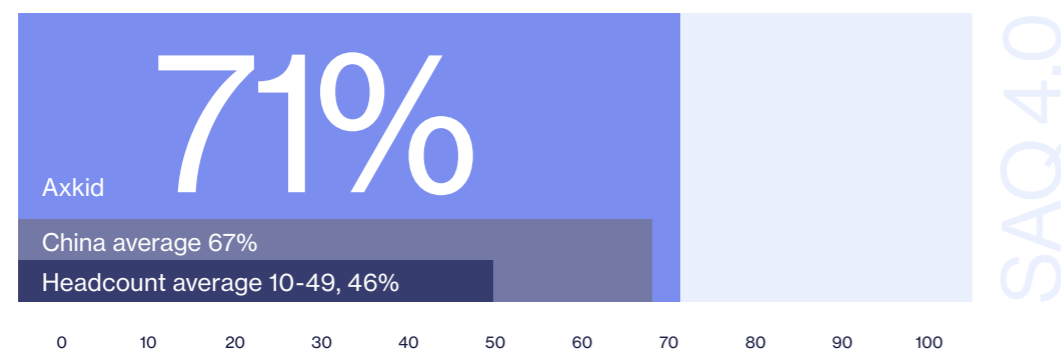|	
■ Aluminium	■ Print
■ Electronic parts	■ Purchased products
■ Foamed parts	■ Rubber
■ Metal parts	■ Safety systems
■ Packaging	■ Standard parts
■ Plastic parts	■ Textile parts

SAQ Sustainability performance rating

71%

Axkid

China average 67%

Headcount average 10-49, 46%

SAQ 4.0

Supplier Assurance SAQ 4.0 refers to the Sustainability Assessment Questionnaire version 4.0, which is a tool used in the automotive industry to assess sustainability performance within the supply chain. It focuses on areas such as human rights, environmental sustainability, health and safety, business ethics and compliance, and responsible sourcing of raw materials.

Internal supply chain

At our assembly plant, we rely on a network of suppliers to provide us with the necessary components for manufacturing child car seats. Since our factory's establishment in 2019, we've cultivated relationships with our suppliers. While our supply chain is intricate from start to finish, we currently exert full control over Tier 1 and 2 suppliers. Continuously, we delve deeper into our supply chain to understand our impacts in greater detail.

Axkid Assembly Plant

Established in 2019 through collaboration with a private partner in China, Axkid China commenced production with the Axkid One seat shortly before the global pandemic outbreak. Over time, the factory has undergone continuous development, attaining ISO9001 certification and recognition as an approved supplier of child car seats to automotive companies. For further information on our workforce, please refer to the Workforce Data chapter.

General info and organisation details for Axkid China

- Started in 2019.
- Certified ISO 9001.
- Assembly line is staffed by external agency and has been from the start.
- Company name: Axkid (Jiangsu) Safety Seat Co. Ltd
- Address: 619 Long Jiang Road, Fuqiao Town, Taicang City, Jiangsu Province, China

ASSESSMENTS

In 2022, Axkid's assembly plant underwent assessment by SAQ/NQC, achieving a commendable score of 71%, demonstrating strong performance relative to industry peers. Major areas of improvement based on the assessment are related to having certified management system to manage different aspects of what we do.

As Axkid China is a small and relatively new company, not all processes and management systems are in place and/or certified. Even though work is being done daily, it requires great effort and manpower to implement ISO certifications and we have not prioritised this until last year when the ISO9001 quality management system was implemented. We work diligently with all the noted improvement areas.

QUALITY LEVEL

We measure quality through a daily yield metric, indicating the number of products that pass final inspection on the first attempt without requiring rework. Our seats undergo thorough checks for various safety and quality Our factorys quality and product safety is audited by autorities twice a year. Seats are continuously subjected to crash tests to ensure maintain.

Suppliers

We work with a total of 46 main suppliers, distributed across different commodities as outlined in chart no 1.

Axkids main impacts on environemnt and people stem from the materials in. and manufacturing of, parts for our seats. To address this, we focus on the sourcing of parts in this report. All Axkid product manufacturing occurs in China, with most sub-suppliers located in the same or nearby province as our assembly plant.

Our major suppliers are situated in the region around Shanghai, Ningbo, and Suzhou, within approximately 250 km of our assembly plant in Taicang. We strive to minimise transportation emissions by producing all parts in China.

Although we maintain considerable control over our textile suppliers, our insight only extends so far. A standard car seat comprises approximately 130-250 part numbers. While we meticulously specify design, drawings and materials and conduct thorough testing to meet our stringent requirements, tracing each component through its 5-15 stages of suppliers, wholesalers, chemical factories, and processing plants remains a challenge beyond our direct control at present.

While we won't delve into exhaustive detail here, a simplified illustration of our value chain can be found on page 24.

Supply Chain Management Approach

RATINGS:

Our suppliers undergo audits conducted by our quality team in China, with each supplier receiving a rating based on the audit results. Continuous monitoring allows suppliers to improve their performance, and those failing to do so are replaced. In the future, these ratings, based on quality and delivery criteria, will be integrated with sustainability metrics.

SUPPLY CHAIN CONTROL:

Our sourcing department rigorously controls the supplier base through the Purchasing and Supplier Management Control Procedure, part of our ISO9001 system. New suppliers undergo thorough evaluation and qualification. Supplier changes are also subject to crash testing as required by ECE-R129 regulations, which govern our product approvals.
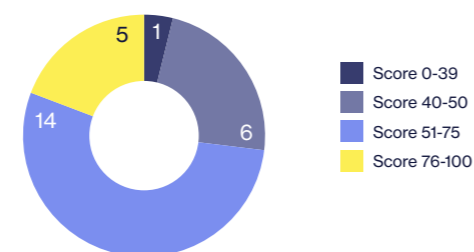
SUPPLIER ENGAGEMENT:

In 2024, Axkid hosted its inaugural Supplier Day at our Taicang factory, bringing together 23 esteemed suppliers to strengthen collaboration. The event, anticipated to become an annual occurrence, aimed to foster relationships, align on company objectives, underscore quality standards, and address sustainability initiatives. With a focused agenda comprising presentations, factory tours, and discussions, participants engaged in productive dialogues, laying the groundwork for future cooperation and sustainability endeavours. Axkid's CEO and CSTO delivered presentations on child safety and the importance of sustainability, introducing the sustainability reporting initiative.

In January 2024, Axkid's CSTO and colleagues from quality and purchasing teams visited suppliers representing the top 70% of our spend. The purpose was to discuss Axkid's sustainability goals and launch an initiative to share knowledge about sustainability. Suppliers expressed interest in improving sustainability but lacked tools and knowledge. Therefore, Axkid plans to initiate a training program for all suppliers, disseminating information through the new Supplier Portal, an online tool providing quality and sustainability guidance.

Supplier sustainability scores

Chart no 3

Score 0-39
Score 40-50
Score 51-75
Score 76-100

Supply chain geographical location

Suzhou, Jiangsu
Axkid factory
Shanghai
Ningbo, Zhejiang
Beijing
Shanghai
Hong Kong
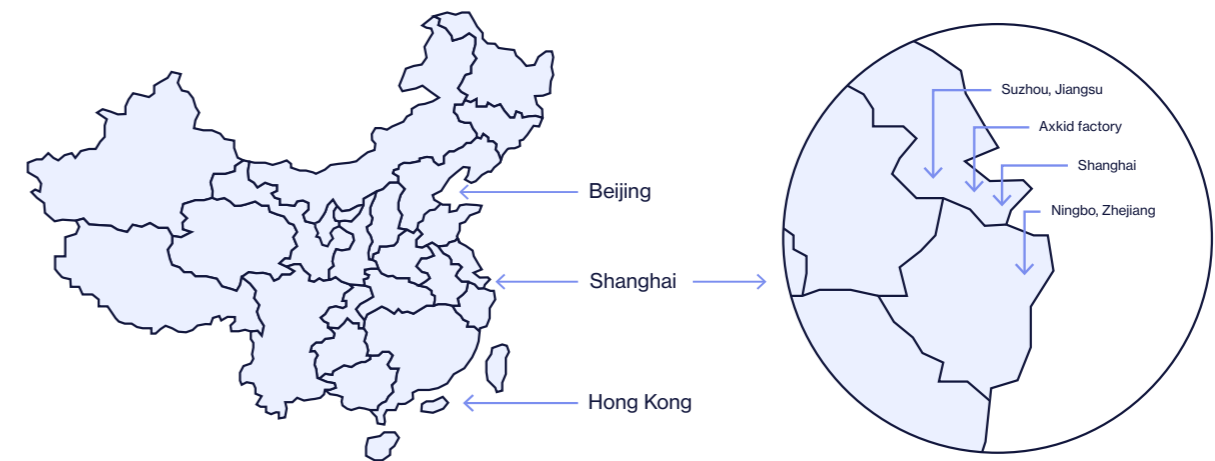
Supplier sustainability scores

Chart no 2

Average score
Max
Min

Supplier sustainability data

We've initiated engagement with our suppliers on sustainability, starting with a supplier day at our assembly plant in Taicang, Jiangsu, China. As a first step, sustainability questionnaires were sent out covering various topics:

- General information
- Code of conduct
- Environmental concerns
- Employee well-being
- Energy and water usage
- Workplace health and safety
- Sub-supplier management

With an 87% response rate, the survey revealed varying levels of sustainability practices among suppliers. Larger suppliers tend to have more advanced sustainability efforts, while smaller ones focus mainly on quality and cost due to limited resources. Highlights from the data include:
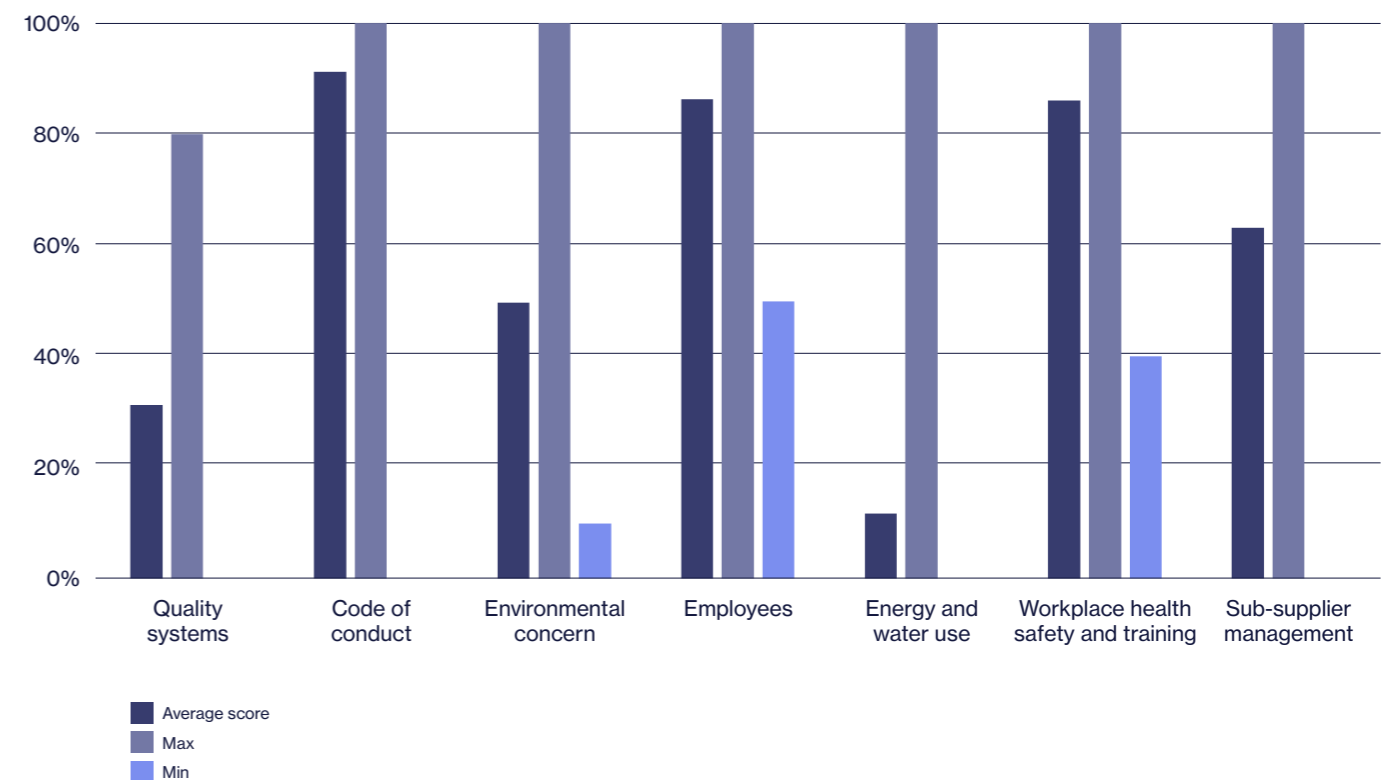
- Some suppliers utilise between 20% and 75% renewable energy.
- Approximately 20% hold an IATF 16949 certificate, signifying high automotive quality standards.
- About 25% have an ISO14001 certificate, demonstrating environmental management practices.

ENERGY AND WATER CONSUMPTION

In 2023, our suppliers reported a total energy consumption of 262 731 kWh for producing Axkid parts. This estimation is based on their overall energy usage and our share of their turnover.

Approximately 15% of this energy is sourced from renewable sources owned by our suppliers, with the remainder coming from the national grid in China, where about 20% of the energy mix is renewable.

Overall, this indicates that approximately 37% of our supply chain's energy comes from renewable sources, which is a positive step in lowering emissions, see Chart no 4.

This feedback underscores the importance of supporting our smaller suppliers in enhancing their sustainability practices. To address this, we are implementing a training programme providing educational materials, webinars, and other resources. Our goal is to empower all suppliers with the knowledge and tools to develop their own sustainability plans.

In 2023, approximately 2500 cubic meters of water was used in the production of Axkid parts.

KEY POINTS ABOUT OUR SUPPLIERS

- Average number of employees: around 110.
- All suppliers adhere to labour standards regarding overtime limits and provide written employment contracts.
- 85% of suppliers have active policies to prevent child labour risks, with the remaining 15% employing informal processes.
- Over 90% of suppliers actively work to reduce energy consumption and emissions.
- 96% of suppliers have signed our code of conduct, with ongoing efforts to reach full compliance.

15
17
68
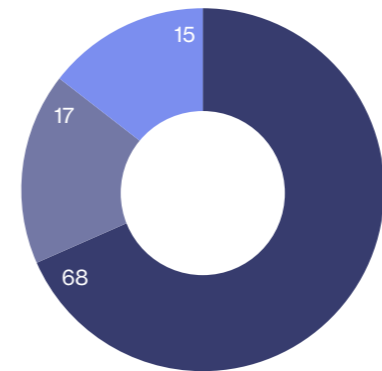
Renewable power* used in Axkid's supply chain

Chart no 4

- State grid, non renewable %
- State grid renewable %
- Privately owned renewable power %

★ The Chinese national grid has has about 25% renewable energy in the mix, although these figures are very hard to control. Online sources range from 16 to 26%, we use 20% as an assumed value. As a comparison, the EU has about 19% renewable power in its energy mix and the US has about 13% according to the U.S. Energy Information Administration.

Source: iea.org and chinaenergyportal.org
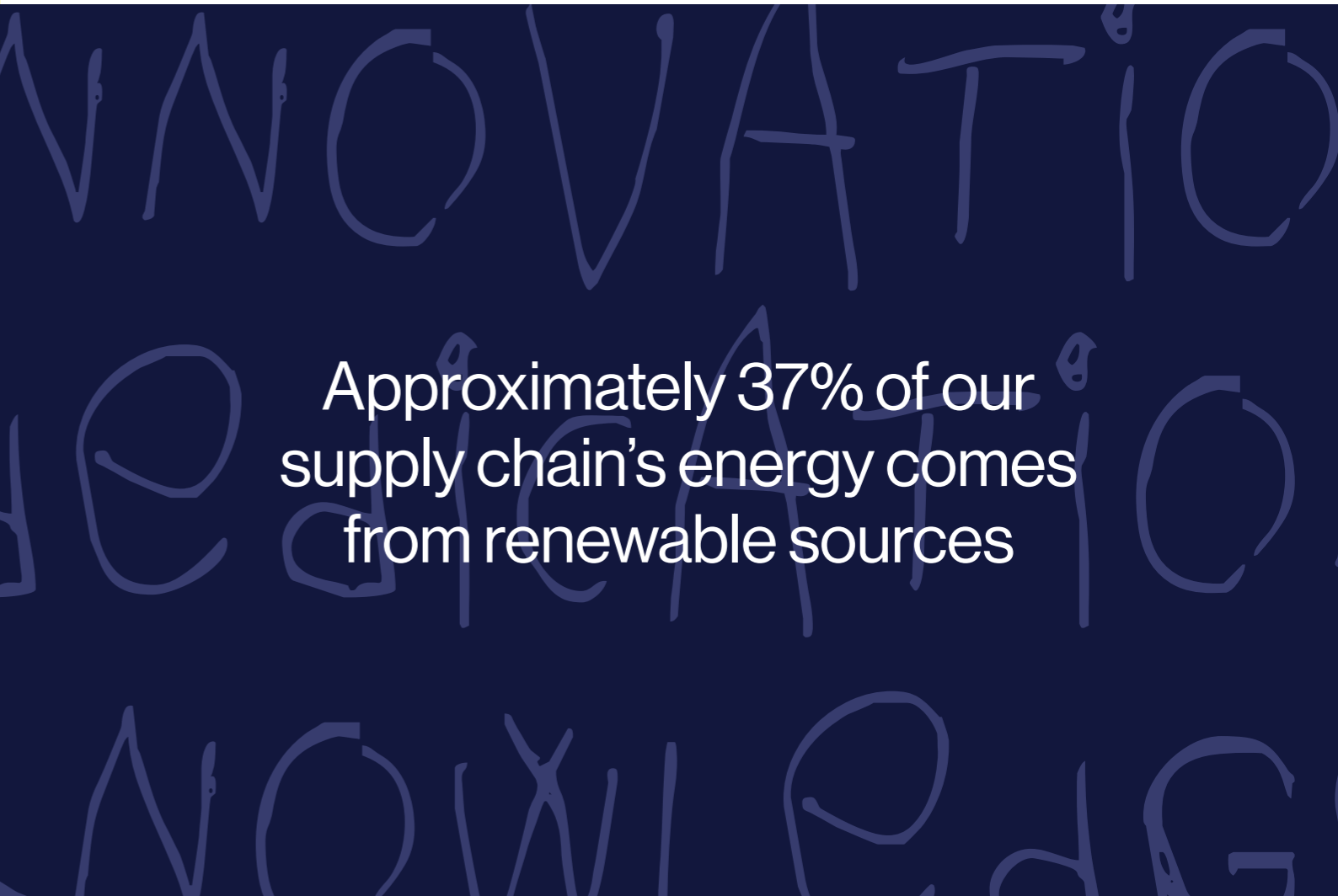
Approximately 37% of our supply chain's energy comes from renewable sources

Axkid HQ

Axkid Headquarters (HQ) is the central hub of our value chain, orchestrating the creation and delivery of our products.The Research and Development (R&D) department sets product requirements, driving innovation to meet customer needs. Subsequently, our operations department manages logistics, production, and shipping, optimising efficiency and reducing costs. This team identifies opportunities for improvement, streamlining operations to enhance performance.

Within operations, dedicated sections focus on purchasing, production, logistics, and quality management, ensuring seamless coordination.

Purchasing sources materials, negotiates contracts, and maintains supplier relationships. Production oversees manufacturing, maintaining quality standards and timelines.

Quality implements stringent control measures to uphold product integrity and customer satisfaction.

Overall, our headquarters guides and aligns functions across the value chain, delivering value to customers while maximising operational effectiveness and efficiency.

Logistics

Shipping is vital to our value chain, ensuring efficient and reliable product delivery to customers. It acts as a crucial link between our R&D department, which sets product requirements, and our operations department, which manages logistics and shipping.

Our logisitcs department oversees shipping and transports of finished products between production facilities, distribution centres, and end-users. This process is essential for maintaining a smooth flow of goods, enabling timely production and delivery to meet customer demands.

However, shipping also has significant environmental implications, particularly regarding carbon emissions and resource consumption. As part of our sustainability commitment, we acknowledge the importance of minimising the environmental impact of our logistics operations.
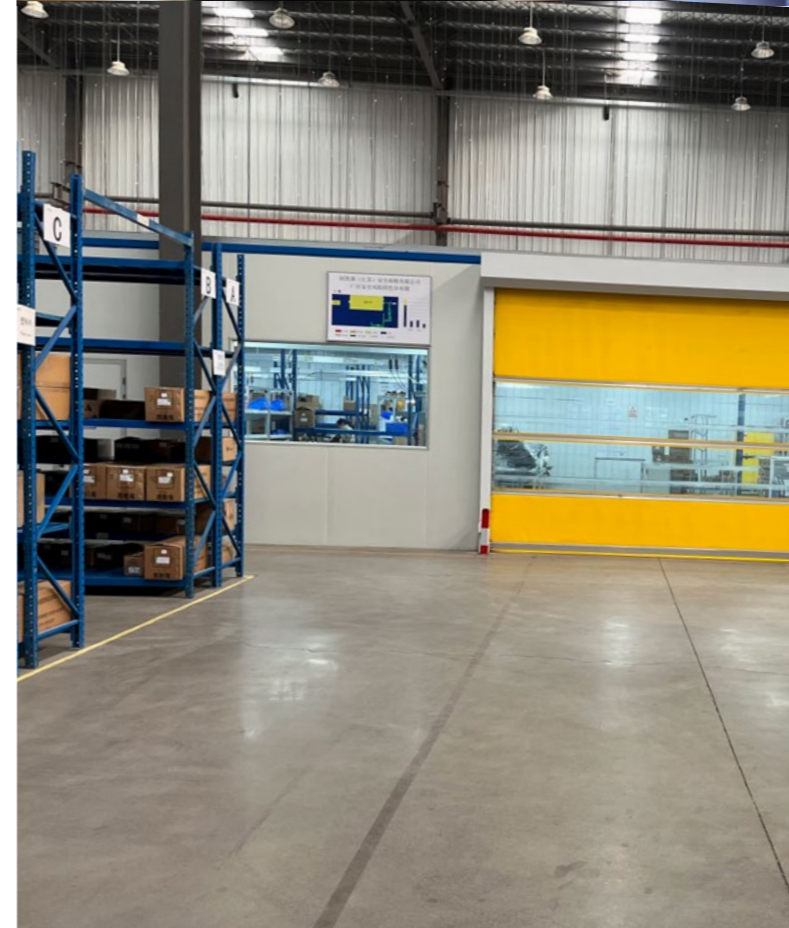
Distributor sales, usage, and end-of-life management

In our value chain, the process from distributor warehousing through sales, product usage, and end-of-life management is pivotal. Although we lack direct control over these stages when products are distributed, they are essential for our business.

Distributor warehousing is crucial for inventory management, and we rely on distributors to efficiently store and distribute our products. Sales are managed by distributors, who handle marketing, sales, and product delivery to customers.

During product usage, customers expect quality and performance. We rely on distributors to ensure customer satisfaction.

End-of-life management, including disposal and recycling, presents challenges as we do not directly manage products sold through distributors. Collaborating with distributors to implement sustainable practices is vital for reducing environmental impact and ensuring responsible product lifecycle management.

Internal sales, usage and end-of-life

OTHER KEY BUSINESS RELATIONSHIPS

Influencer Marketing: Axkid engages in partnerships to promote our brand and educate the public about rear-facing child car seats. These collaborations typically involve providing influencers with complimentary seats in exchange for promotional activities and dissemination of accurate information. Transparency regarding these partnerships is paramount to Axkid.

The downstream entities involved in warehousing, sales, product usage, and end-of-life management play a critical role in our value chain, facilitating seamless product lifecycle management and customer interaction.

Warehousing serves as a crucial link between production and distribution, ensuring efficient inventory storage and management. It contributes to maintaining product availability, streamlining order fulfillment, and reducing lead times, thus enhancing both customer satisfaction and operational efficiency.

Sales represent the primary interface between our company and customers, encompassing marketing, sales, and product distribution to end-users. Aside from online sales directly to end-users, Axkid serves various customer types:

Axkid Direct-to-Consumer:

- Offering a comprehensive range of products with exceptional service, reputation, and expertise, Axkid experiences substantial growth through direct channels, aligning with long-term objectives.
- Typical segments: Full range of products.

E-commerce:

- E-commerce platforms drive sales through volume and promotion, with Axkid's significant presence in mature markets and a strategic approach to market entry.
- Typical segments: All baby products.

Mass Market Stores:

- Typical segments: Booster seats, Swivel seats.

These stores, such as Baby One or Babe Nouf, target mass-market consumers with high promotion and price-centric strategies. While Axkid maintains a presence, sales volumes are moderate.

Social Sellers:

- Online specialists with a strong social media and forum presence, experiencing growth by catering to informed consumers seeking specific safety features.
- Typical segments: Customers make choices based on personal relationships or safety considerations.

Specialised Stores:

- These are advocates of Extended Rear-Facing (ERF) seats, like Kindersitzprofis or In Car Safety Centre, with whom Axkid has a strong partnership based on mutual expertise and long-term cooperation.
- Typical segments: Infant carriers, Strollers, with a specific focus on ERF seats.

Specialists and Brands:

- Automotive brands purchase branded or original Axkid seats, while partnerships with organisations like NTF and insurance companies provide infant carriers for rental services, contributing to road safety initiatives.

The usage stage of our products is pivotal in the value chain, as it directly influences customer satisfaction, loyalty, and repeat business. Quality, performance, and reliability are scrutinised during this phase, underscoring the importance of providing clear usage instructions and robust customer support to ensure positive experiences.

Furthermore, effective End-of-Life management is imperative, encompassing proper disposal, recycling, or reuse of products once they are no longer required. This phase significantly contributes to reducing environmental impact, minimising waste, and adhering to regulatory standards.

Markets
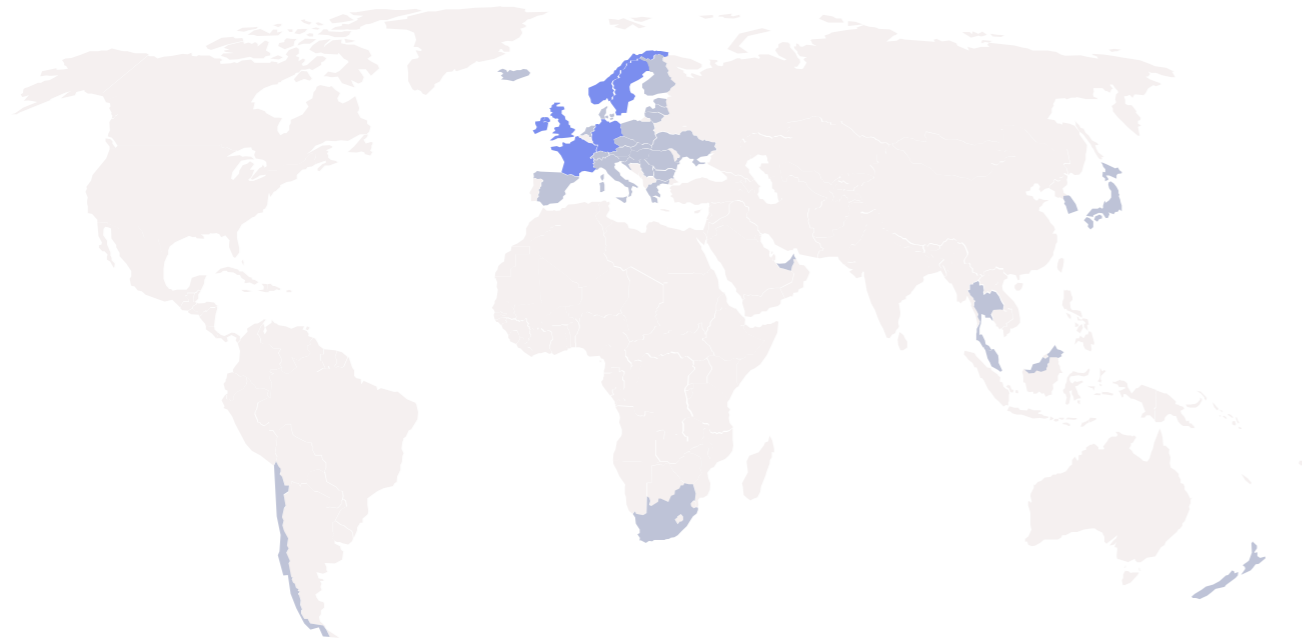
Own markets	Distributors
Denmark	Albania
	Andorra
Netherlands	Bosnia and Herzegovina
	Bulgaria
Norway	Chile
	Czech Republic
Sweden	Estonia
	Finland
Austria	Greece
	Iceland
Germany	Italy
	Japan
Luxembourg	Latvia
	Lithuania
Switzerland	Malta
	New Zealand
Ireland	Poland
	Portugal
UK	Romania
	South Africa
Belgium	South Korea
	Spain
France	Thailand
	United Arab Emirates

Axkid Care, usage and end-of-life

Axkid Care constitutes our rental programme operational in Sweden and via partners in Germany, presenting a distinctive value chain where products are returned to us post-rental for refurbishment and reuse. We ensure they undergo thorough safety checks, cleaning, and preparation for subsequent use.

Despite lower volumes, we strive for efficiency and flexibility in storage, often collaborating with rental partners to leverage existing resources. Exclusive online sales streamline our rental process, eliminating direct customer interaction.

However, we prioritise clear installation and usage instructions to uphold customer satisfaction. Rental customers receive the same level of customer support and online assistance as regular buyers.

The rental model enhances our End-Of-Life management as returned products are recycled in an environmentally responsible manner after disassembly, contributing to our sustainability goals.

Significant changes compared to 2022

There have been no major changes, with only the addition of some new markets.
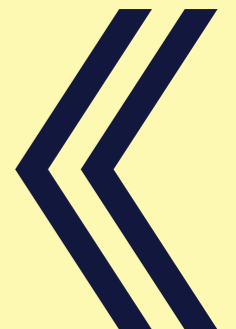
Axkid's approach to sustainability

At Axkid, sustainability has a high focus. Our mission extends beyond profits to saving children's lives and fostering a more sustainable world. Spearheading our sustainability endeavours is the Chief Sustainability and Technical Officer (CSTO), who directs policy development, initiative creation, and strategy alignment with directives set by the company board. Recommendations from the CSTO inform the CEO and the board's decisions on strategy, Key Performance Indicators (KPIs), and targets. Collaborating with various departments, the CSTO ensures the effective execution of our sustainability objectives. Additionally, a climate neutrality team, comprising all site managers, is committed to leading Axkid towards achieving Scope 1 and 2 neutrality.

Achievements

We are thrilled to announce the successful launch of the Envirocollection, featuring an infant carrier, base, and toddler seat made from bio-composite plastic and bamboo based viscose fabrics. This groundbreaking achievement marks a significant milestone in the industry as the first of its kind. Our primary objective with this project is to reduce CO2 emissions by incorporating alternative materials into our production process. Furthermore, we aim to challenge the conventional notion that safety products must solely rely on traditional materials. Through this innovative approach, we aspire to inspire broader adoption of sustainable practices across the market.

In 2023, put a lot of effort into expanding our materiality assessment. This analysis identifies key topics crucial for Axkid to address, positioning us years ahead of our competitors in understanding the full scope of our impacts and opportunities. Additionally, we continued the implementation of the GRI standard for sustainability reporting, providing a structured framework for our

reporting efforts and ensuring readiness for CSRD compliance.

We established a climate neutrality team dedicated to leading our Scope 1 & 2 emissions to zero across all subsidiaries in the near future.

Other notable accomplishments include:

- Implementation of an internal Code of Conduct in 2020 and a Supplier Code of Conduct in 2022.
- Integration of the Worldfavor ESG reporting system, enhancing our reporting capabilities.
- Introduction of a Whistleblower system in 2021, aligning with our values of transparency and accountability.
- Development of internal and external information management systems to support ongoing sustainability endeavours.
- Conducting a Simplified Life Cycle Assessment (LCA) on Axkid One, revealing emission hotspots and guiding targeted sustainability improvements.

UN sustainable development goal alignment

In our pursuit to identify avenues where Axkid can make a meaningful impact in line with the UN Sustainable Development Goals (SDGs), we conducted a comprehensive review of the goals and sub-targets outlined by the UN. Utilising data sourced from the official UN SDG website, we meticulously assessed the specifications of each of the 169 individual sub-targets to ascertain their alignment with Axkid's business objectives.

Our focus has been on identifying areas where we can contribute to the global advancement of the SDGs, irrespective of the scale of our contribution. The analysis prioritised alignment with our core values and mission, ensuring that our efforts resonate with our commitment to sustainability and social responsibility.

UN sustainable development goal alignment

GOALS AND TARGETS	How is this relevant to Axkid?	How does Axkid achieve effect on the topic?
3 GOD HÄLSA OCH VÄLBEFINNANDE — Target 3.6: Halve the number of global deaths and injuries from road traffic accidents	This target aligns with our mission of providing safety and peace of mind to families in their everyday lives all over the world. Here we have a clear contribution, and we should aim to provide our products to as many people as possible.	Promote rear-facing safety Keep growing to reach more children Be available to a wider audience
12 HÄLLBAR KONSUMTION OCH PRODUKTION — Target 12.2: Sustainable resource management / Target 12.5: Reduce waste	We use raw material from virgin sources in production of our parts. Scrapping parts or raw material is equal to generating CO2 emissions without any benefit to anyone. Parts that are not possible to recycle are put in landfill or burnt, ending the cycle of reuse.	A circular business model is key to resource management Change to recycled materials Make sure all materials can be recycled Reduce waste in supply chain
6 RENT VATTEN OCH SANITET FÖR ALLA — Target 6.3: Water use reduction / Target 6.4: Water contamination reduction	A lot of water is used in dyeing the textiles in our products. Materials used can release harmful chemicals to the water cycle.	Use less water intense methods for dyeing Use only REACH compliant materials
7 HÄLLBAR ENERGI FÖR ALLA — Target 7.2: Increase of renewable energy use / Target 7.3: Reduction of energy use	A lot of energy is used throughout the supply chain when producing our parts and products. Aluminum is especially energy intense. We can affect our suppliers and our own sites to use renewable energy and to use less energy.	Change to less energy intense processes, like textile dyeing, surface treatment of metals Replace virgin aluminum Switch to renewable energy
8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT — Target 8.4: Reduce material footprint / Target 8.7: Eradicate forced labour / Target 8.8: Protect labor rights	Our parts and products are produced and sold at different places around the world with different levels of labor protection and rights. Through our code of conduct we can strive for common labour rights and an equal and safe workplace in our own sites as well as our supply chain.	Signed code of conduct for all Axkid employees Signed code of conduct for all Axkid suppliers Regular audits on internal- and supplier sites
5 JÄMSTÄLLDHET — Target 5.1: End gender discrimination / Target 5.5: Ensure women's equal opportunities for leadership	Businesses that are more equal tend to perform better. Axkid can globally strive for gender equality, ending discrimination and equal opportunities in all sites affiliated with Axkid.	Integrate gender equality in the code of conduct Create and follow up on gender equality targets

Objectives

2023 marked a pivotal year for Axkid's sustainability efforts. Following the board's decision to align with the Paris Agreement and pursue compliance with the CSRD reporting standard, we revamped our sustainability strategy. While the core of our initial strategy remains intact, we have refined and segmented it into clear initiatives, easily assignable to departments within the company.

We are enthusiastic about embarking on our journey towards achieving net zero emissions. The Paris Agreement aims to limit global warming to well below 1.5 degrees Celsius, to mitigate the impacts of climate change and enhance countries' resilience.

The CSRD (Corporate Sustainability Reporting Directive) mandates EU businesses to transparently report their environmental, social, and governance (ESG) performance in detail. CSRD places emphasis on the concept of double materiality. This approach considers not only a company's impacts on environment and society but also how the future climate and society will impact the company.

The following chapters will lay out our strategy redefinition process to align with these new objectives.

Redefining our sustainability strategy

In response to the CSRD Axkid is taking proactive steps to integrate CSRD requirements into our reporting framework. While currently exempt, we recognise the importance of aligning with CSRD standards for corporate integrity and to anticipate future customer demands. This alignment also positions us to adapt to future growth and regulatory changes effectively.

Although challenges exist in reporting all topics, such as the granularity of data in Scope 3 emissions and biodiversity impacts, we are enhancing our materiality analysis to meet CSRD standards. Our reporting, previously based on the Global Reporting Initiative (GRI), remains relevant and will continue to inform our sustainability efforts moving forward.

The CSRD framework mandates a double materiality analysis, emphasising the interplay between corporate actions, environmental considerations, and financial outcomes. This analysis identifies crucial aspects for inclusion in the company's sustainability reports, encompassing not only internal operations but the entire value chain. By adopting this holistic approach, our reporting accurately reflects our environmental impact and how it influences our financial position.

Stakeholder engagement and external assessment are integral components of this analysis, providing diverse perspectives and insights into sustainability priorities. In response to CSRD directives, we have outlined a process to update our sustainability strategy.

Outward impact

COMPANY

PLANET AND SOCIETY

Double materiality
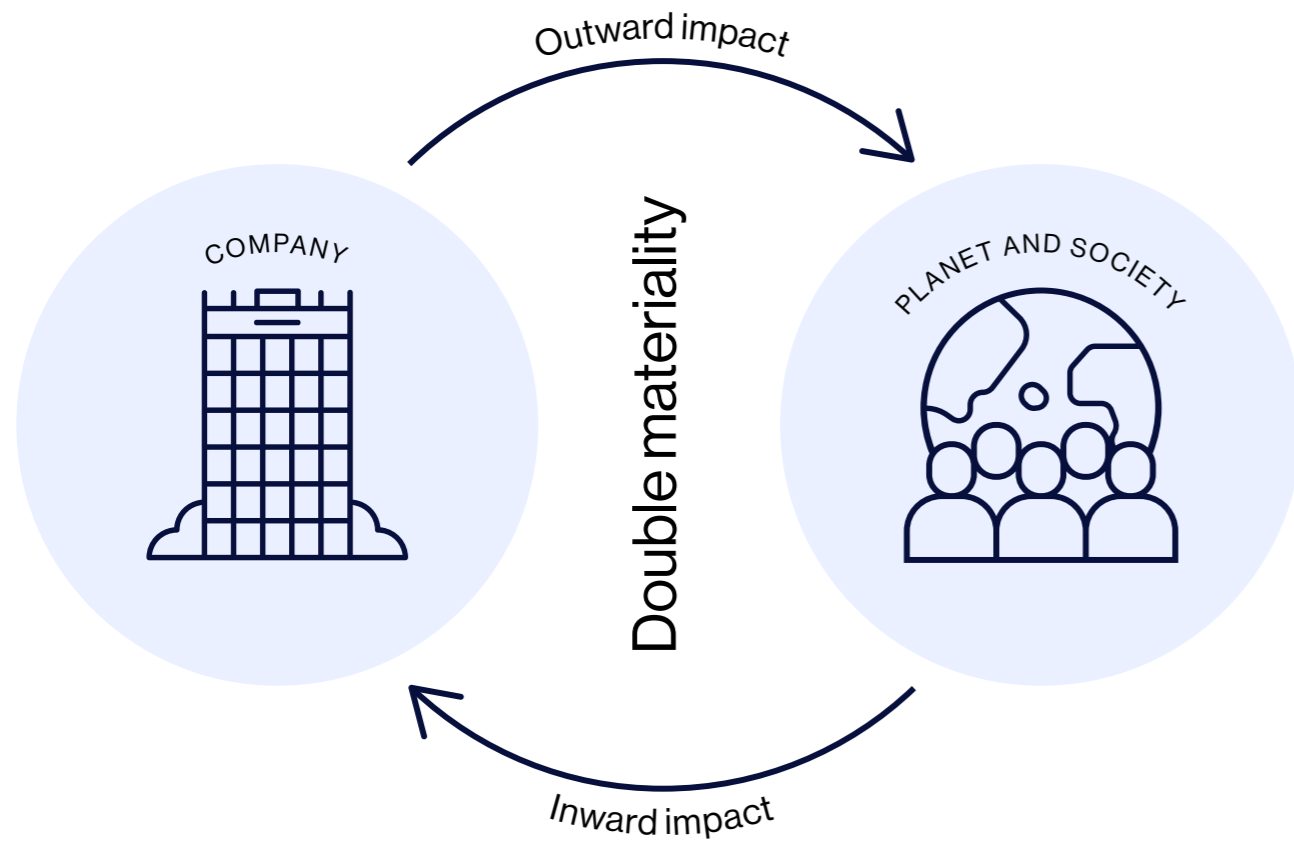
Inward impact

Process for defining our strategy

Map the value chain	Identify outward impact / Identify inward impact	Create materiality matrix	Define measures	Define plans
What's the enviroment we operate within?	What things impact us and what things do we have an impact on?	How do these things align?	How can we adress the impacts?	Who does what and when?

Process for defining material topics

Identify outward impact				
Identify the company's sustainability matters	Identify stakeholders in the value chain	Interview the stakeholders on impacts, risks and opportunities	Summarise results mapped against the ESRS topics	Assess impacts
Identify inward impact				
Identify financial opportunities and risks through the value chain	→	Summarise a list of most relevant sustainability matters, mapped against the ESRS topics	Assess impacts	

Defining Axkid's material topics

Axkid's material topics have been identified through a comprehensive assessment of inward and outward impacts, risks, and opportunities across our value chain. This evaluation involved quantifying factors such as damage incurred, affected stakeholders, and mitigation costs. Financial considerations, including resource allocation, stakeholder relationships, and potential regulatory changes, were also factored in, aligning with CSRD guidelines.

We have aligned our impacts with the existing ESRS framework, as it aptly reflects our organisation's structure and needs.

These impacts, whether positive or negative, are evaluated in terms of their actual or potential effects over the short, medium, or long term.

Our disclosure strategy encompasses clear metrics, targets, policies, and action plans, outlining our objectives and the steps we are taking to achieve them.

While our assessment has been thorough, we have yet to fully evaluate our impacts on biodiversity due to limited knowledge and capacity. However, this remains an important focus for future reports.

Outward impact assessment

We conducted a series of workshops to analyse each area and identify impacts, risks, and opportunities. Utilising internal resources and desktop research, data was collected and organised in a chart.

Stakeholders engagement

Stakeholder engagement serves two vital purposes: understanding concerns and fostering participatory sustainability. By involving stakeholders, we ensure alignment with their needs and drive authentic impact towards a sustainable future. The chart illustrates major stakeholders and the proxies used to gather information from each group.

Stakeholders are identified through the value chain impacts analysis, with initial prioritisation conducted thereafter.

Stakeholder groups	Stakeholder proxy / representative
Children	Regulations
Company board members	Board meeting
Company owners	Sustainability Director
Consumer	Survey
Influencers / Social Media	None
Nature	Desktop research
Own workforce	Desktop research
Suppliers	Direct contact, reporting
Workers in the value chain	Legal requirements + audits in the future
Lawmakers	Laws
Finance market	Bank sustainability contact
Partners, retailers	Knowledge within the company

Identifying outward impacts across the value chain

Operating environment	Internal supply chain	OEM supply chain	Axkid HQ/Logistics/ Warehouse	Sales – Internal/ Axkid Care/ Distributor
Finance market	Raw materials	Raw materials	Axkid workforce	Workforce
Laws & Regulations	Part suppliers	Part suppliers	Shipping	Shipping
Company owners	Axkid assembly plant	OEM assembly plants	Warehouse	Shops
Public relations				Consumer
Nature				Usage
Global politics				Repairs
				End-Of-Life

STAKEHOLDER ENGAGEMENT METHODS

To ensure effective stakeholder engagement, we utilised tailored methods to address each group's dynamics:

Finance Market: Conducted interviews with the sustainability manager of our commercial bank to gain insights into their perspectives and priorities.

Owners: Similar interviews were conducted with the sustainability manager to understand the owners' perspectives on sustainability issues.

Distributors: Held interviews with three of the largest distributors to gather their feedback and insights.

Consumers/Users: Distributed a survey, receiving 543 responses. To incentivise participation, we offered a 10 EUR donation to Save the Children charity for each completed survey, resulting in a total donation of 5430 EUR.

Own Workforce: Administered a biannual survey to our workforce, supplemented by continuous follow-up, to ensure ongoing engagement and feedback collection.

Customers (Shops): Despite efforts, we were unable to reach any shops, however, this group was considered lower priority for engagement.

Workers in the Value Chain: While direct engagement was not feasible, we made informed assumptions about their perspectives and concerns based on our experience, informing our sustainability strategy accordingly.

Suppliers: Instead of interviews, Axkid conducted educational sessions about sustainability with major suppliers in January 2024. Discussions were held regarding their practices, regulations, and requirements, which were summarised and added as input to our materiality analysis.

DATA PROCESSING

Data collection involved meticulous note-taking during meetings and interviews. Our procedures strictly adhered to GDPR regulations, ensuring the confidentiality and protection of individuals' personal data. Rest assured, no personal data was gathered during this process.

Insights from financial stakeholders

Our banking partner underscores the necessity of measuring and mitigating emissions associated with financed activities, with a particular focus on Scope 1 & 2 emissions. They prioritise assessing risks related to reputation, working conditions, and labour practices at financed companies. Axkid is expected to measure its Scope 1 & 2 emissions, set environmental goals, and adhere to their Policies and Guidelines. Sustainability discussions should involve the Axkid board to ensure future bankability. Anticipating increased reporting requirements by 2025, they suggest considering a shift to CO2 intensity measurement, highlighting the emergence of a social taxonomy.

SEB, the majority owner through its subsidiary SEB Private Equity (PE), places emphasis on climate neutrality goals, expecting portfolio companies like Axkid to contribute to net-zero emissions by 2040. SEB PE prioritises adherence to international guidelines on working conditions and human rights, especially in risk countries such as China. They stress the importance of implementing a code of conduct, conducting supplier audits, and establishing whistleblower mechanisms. SEB PE seeks portfolio companies committed to Science Based Targets and values those with a clear purpose. They underscore the significance of maintaining a positive reputation to prevent adverse impacts on SEB PE and emphasise alignment with international standards and best practices.

Insights from suppliers

During our visits to suppliers in January 2024, it was evident that most suppliers are aware of climate change, the significance of working conditions, and sustainability overall. However, feedback revealed that they lack sufficient knowledge about actionable steps to mitigate their environmental impact. Consequently, we have decided to prioritise supplier training initiatives throughout 2024 to address this gap and empower our suppliers to make positive contributions to sustainability.

Insights from distributors

One distributor highlighted a current lack of active efforts in reducing greenhouse gas emissions or specific sustainability requirements for product packaging and transportation. However, they express interest in environmental claims if provided by Axkid and emphasise the importance of measures like recycling. They also offer rental services, mainly targeting travelling families.

Although they haven't directly linked sustainability to rear-facing safety, they express openness to doing so with more information. An Asian distributor emphasised sustainability and eco-friendliness in baby products, focusing on environmentally-friendly materials, recyclable packaging, energy efficiency, and compliance with regulations. While no specific governmental requirements exist yet, compliance and certification are crucial for consumer trust.

One major online customer, Jollyroom, highlighted concerns about political situations, climate change impacts, and labour shortages affecting supply chains. While sustainability isn't a primary factor in customer requests, they actively measure supplier performance based on human rights and environmental factors. Jollyroom plans to expand sustainability assessments to external brands and gradually implement buyback, repair, and recycling services.

They also anticipate aligning marketing requirements with green claims as regulations evolve.

Key Demographic Insights:

• Our primary demographic comprises millennials and Gen Z.
• Their key priorities include product durability, working conditions, and above all, safety.
• They exhibit trust in the information provided on our website.

Insights from consumers

We conducted a survey targeting consumers primarily in the UK and Sweden/Nordics, with a significant portion being female millennials and Gen Z. Safety is overwhelmingly the top priority when purchasing child car seats, with other factors like comfort, ease of installation, and price also considered. The most relied-upon sources for information are manufacturers' websites and social media forums, while sustainability considerations include avoiding hazardous chemicals, durability, and good working conditions in production. Customers expect car seat companies to address climate change and sustainability in their supply chains. Lifestyle changes such as repairing products instead of buying new and reducing consumption are seen as viable actions to reduce climate impact.

Key Demographic Insights:

• Our primary demographic comprises millennials and Gen Z.
• Their key priorities include product durability, working conditions, and above all, safety.
• They exhibit trust in the information provided on our website.

Summary of stakeholder input

Upon reviewing insights from interviews and customer surveys, several common sustainability themes emerged across stakeholder groups:

Emissions Measurement and Mitigation:

• Stakeholders emphasised focusing on Scope 1 & 2 emissions.
• Expectations were set for establishing environmental goals and adhering

Climate Neutrality Goals:

• There was an emphasis on contributing to net-zero emissions by 2040.
• Stakeholders stressed the commitment to Science Based Targets.

Environmental-Friendly Materials and Packaging:

• Importance was placed on using recyclable materials and minimising packaging.

Compliance and Certification:

• Stakeholders highlighted the importance of adhering to international guidelines and obtaining certifications for eco-friendliness.

Supply Chain Concerns:

• Risks related to political situations, climate change impacts, and labour shortages were noted.
• Interest was expressed in auditing suppliers and ensuring working conditions.

Consumer Preferences:

• Safety was identified as the primary factor in purchasing child car seats.
• Consideration was given to eco-friendliness and sustainability, albeit to a lesser extent.

Product Lifecycle Management:

• Stakeholders expressed interest in buyback, repair, and recycling services for products.
• Considerations were made for end-of-life product disposal.

Sustainable Product Attributes:

• Importance was placed on products being free from hazardous chemicals and durable.
• Consideration was given to good working conditions in production.

Expectations from Companies:

• Stakeholders expected companies to prioritise good working conditions and environmental care in their supply chains.

Consumer Behaviour towards Climate Impact:

• There was a willingness to repair products instead of buying new and reduce consumption in general.

The identified sustainability topics underscore the diverse perspectives and priorities across stakeholders, encompassing financial institutions, distributors, and end consumers. This comprehensive insight illustrates the multi-faceted landscape of sustainability within our business operations.

DIVERGING PERSPECTIVES

Our analysis indicates a notable alignment among stakeholder groups, with no discernible points of divergence. While each group may prioritise sustainability aspects differently based on their unique needs, there are no conflicting viewpoints observed.

This coherence reflects a shared commitment to our sustainability objectives across our stakeholder spectrum.

INPUT TO STRATEGY

Stakeholder feedback has provided invaluable guidance in refining our sustainability strategy to better meet the expectations of our diverse stakeholders. This collaborative approach has spurred several strategic initiatives aimed at elevating our sustainability performance and impact:

Commitment to Science Based Target: We are in the process of committing to a Science Based Target, aligning our emissions reduction goals with scientific consensus and demonstrating our dedication to ambitious environmental stewardship.

Supplier Audits: Initiating audits of our major suppliers ensures adherence to high standards of working conditions, reinforcing our commitment to ethical sourcing practices and supply chain transparency.

Expansion of Rental Offerings: We are expanding our rental offerings to new markets, providing consumers with sustainable alternatives to traditional ownership models, thereby promoting resource efficiency and circular economy principles.

Buy-Back Program: Launching a test programme for the buy-back of used products promotes circular economy principles, extending the lifecycle of our products and reducing waste generation.

Enhanced Testing Protocols: Implementing enhanced control and testing protocols, particularly in textiles, ensures product safety standards are upheld and mitigates the risk of harmful chemicals, prioritizing consumer safety and well-being.

Alignment with Paris Agreement Goals: We are aligning our emissions reduction targets with the Paris Agreement goals, reaffirming our commitment to combatting climate change and contributing to global sustainability efforts.

These initiatives mark the initial steps in our ongoing journey to integrate stakeholder perspectives into our sustainability planning and implementation processes. Going forward, we are dedicated to adopting a systematic approach to stakeholder management, including regular interviews and questionnaires, to continually assess evolving priorities and expectations.

Streamlined life cycle analysis

In collaboration with experts at RISE (Research Institutes of Sweden), we conducted a concise life cycle assessment (LCA) of our Axkid One product in 2022. Supported by a government grant, this project focused on the cradle-to-gate phase of production, given its time constraints. While a comprehensive LCA requires extensive time and resources, this overview provided valuable insights into areas for environmental footprint reduction. Key areas analysed included water consumption, contribution to global warming, and ReCiPe indicators. Despite the project's brevity, the results outlined specific areas for improvement to enhance the sustainability of our product, see chart on the opposite page.

Upon analysing the charts, it becomes apparent that aluminium, packaging, and textiles emerge as significant areas in our data. This highlights the importance of focusing on these areas for potential technical enhancements and sustainability improvements.
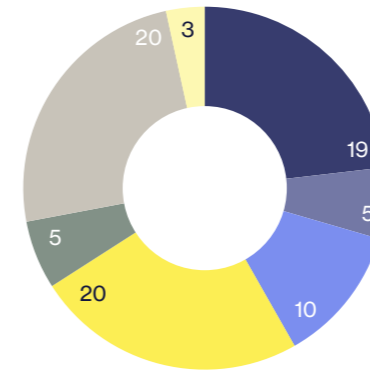
Water consumption per material type, Axkid One

- Extruded aluminium %
- Die casted aluminium %
- Electronics %
- EPP %
- Packaging %
- Steel %
- Textiles %
- Electricity for production %
- Plastics + Other %
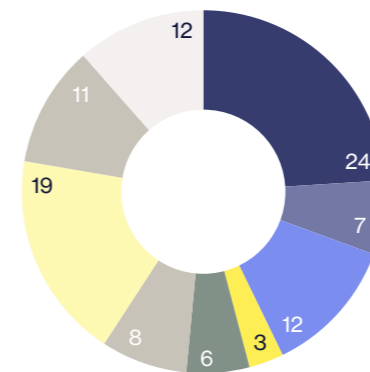
CO2 emission percentage Axkid One 2

- Extruded aluminium %
- Die casted aluminium %
- Electronics %
- EPP %
- Packaging %
- Steel %
- Textiles %
- Electricity for production %
- Plastics + Other %

Inward impact assessment

In our analysis of internal impacts on our business, we've conducted a thorough examination of financial risks, opportunities, and impacts, particularly focusing on climate-related factors. While biodiversity considerations are deferred for future reports due to resource limitations, we have delved deeply into various climate scenarios and their potential effects on our operations.

These climate scenarios span a spectrum of impacts, encompassing supply chain disruptions, market volatility, and regulatory changes. Anticipated challenges include heightened operating costs, supply chain vulnerabilities, and potential legal liabilities. However, amidst these challenges, we also identify opportunities for innovation, supply chain resilience, and market differentiation through sustainable practices.

In summarising the implications for our business, we've categorised them into impacts, risks, and opportunities, all viewed through a long term and short term lens. Impacts include shifts in consumer preferences, market consolidation, and changes in transportation trends. Risks range from increased competition to potential product obsolescence. Conversely, possibilities include positioning ourselves as sustainability leaders, leveraging our brand focus, and adapting our product offerings to emerging market demands, such as those stemming from the sharing economy and heightened sustainability consciousness.

FINANCIAL OPPORTUNITIES AND RISKS ANALYSIS

This phase of our assessment centres on evaluating the current and prospective effects of climate change and other external factors on Axkid's business operations, both in the short and long term.

We conducted a structured workshop with the management team, focusing on the key areas within our company's value chain. The outcome was a comprehensive list of factors that could potentially shape the company's future trajectory.

These identified factors will serve as one axis of our double materiality matrix, with the other axis determined through stakeholder engagement processes. This collaborative approach ensures a holistic understanding of the challenges and opportunities ahead, guiding our strategic decision-making processes towards sustainable and resilient outcomes.

Key areas within our company's value chain:

1. Environmental impacts
2. Competitors and technology
3. Customer requirements
4. Political factors
5. Owners
6. Financial factors

INWARD IMPACT SUMMARY

In our comprehensive impact assessment detailed in subsequent chapters, our risks and opportunities have been mapped against essential ESRS (European Sustainable Development Reporting) topics. The top ESRS topics identified are:

- Climate change mitigation
- General disclosures
- Training and skills development (external)
- Resource use and circular economy
- Access to (quality) information
- Protection of children
- Training and skills development (internal)
- Responsible marketing practices
- Working conditions (internal)
- Climate change adaptation
- Political engagement and lobbying activities

These critical topics provide a framework for addressing sustainability challenges and opportunities, guiding our strategic efforts towards responsible and impactful business practices.

Materiality matrix

Our materiality matrix serves as a robust tool for assessing the significance of sustainability factors to our business. It integrates insights from stakeholder engagement and financial analysis, offering a comprehensive view of our material topics.

Created in an spreadsheet with over 5200 entries, describing our impact analysis, the matrix aligns stakeholder concerns and financial risks/opportunities on a scale from one to ten, following the ESRS standard. Ratings were established through collaborative workshops involving internal participants, leveraging their expertise and insights.

By using the highest value of each topic, as topics occur mutliple times in the data, we highlight the importance of topics in all aspects. We have chosen to rate negative, positive, actual and potential impacts on the same scale to make the information easier to digest. This meticulous approach enables informed and strategic decision-making, guiding our sustainability initiatives towards impactful outcomes.

IMPACT

1	Access to (quality) information
2	Climate change adaptation
3	Climate change mitigation
4	Corporate culture
5	Energy
6	General disclosures
7	Health and safety (internal)
8	Microplastics
9	Political engagement and lobbying activities
10	Pollution of air
11	Pollution of water
12	Protection of children
13	Protection of whistle-blowers
14	Resource use and circular economy
15	Responsible marketing practices
16	Substances of very high concern
17	Supplier relationships
18	Training and skills development (external)
19	Training and skills development (internal)
20	Waste
21	Water consumption
22	Working conditions (external)
23	Working conditions (internal)
24	Work-life balance (internal)

FINANCIAL IMPORTANCE

Sustainability strategy

Our updated materiality matrix has catalysed the refinement of our strategic measures across all areas. Expanding upon the initial framework established in 2022, we have enhanced it to closely align with the latest materiality analysis outcomes.

This framework serves as a concise yet comprehensive summary of Axkid's sustainability strategy and material topics management. It encapsulates the essential components of our approach, including key targets, KPIs, and enablers, all rooted in our organisational purpose.

Designed to address the most pressing sustainability issues identified through the materiality analysis, our framework provides a structured pathway for guiding our sustainability initiatives. By integrating these insights, we ensure that our efforts remain steadfastly aligned with our overarching goals and priorities, driving meaningful progress towards a more sustainable future.

Key changes since 2022

PEOPLE:

Revised Supply Chain Transparency: Our 2025 goal of attaining full supply chain transparency has been refined to focus on social audits and sustainability metrics reporting, ensuring accountability and ethical sourcing practices.

Updated Employment Ambitions: Due to measurement challenges, our 2030 goal of achieving fair, equal, and desirable jobs for all has transitioned into an aspiration.

Focus on Social Audits: The objective of making rear-facing car seats a standard in Europe by 2030 has been replaced with goals centred on conducting social audits to enhance ethical standards.

PLANET:

Net Zero Emissions by 2040: We've introduced a new ambitious goal to achieve net zero greenhouse gas emissions by 2040, demonstrating our commitment to environmental sustainability.

Peak Emission Targets: Our 2025 emission reduction goal has been adjusted to focus on emission peak due to complexities in measuring Scope 3 emissions accurately.

Transition to Circular Model: Introducing new targets for 2040, we aim to achieve net zero emissions in the value chain and transition to a fully circular business model, underscoring our commitment to sustainability.

Sustainability framework

Purpose: to save children's lives and contribute to a better and more sustainable world.

We bring safety and peace of mind to families in their everyday lives all over the world. We are the global thought leader on safety products for children on the move. We provide products securing the safety for children in transport. Our solutions are developed based on research, where we put safety for the child at first. Our solution is rear-facing travel for as long as possible.

	PEOPLE	PLANET	PROFIT
Ambition	All jobs in the supply chain are fair, equal and desirable. Rear-facing to 125 cm is the standard in Europe.	Disconnect growth from resource use. Enable products circularity and Green House Gas Neutrality	Transform to a circular business model while maintaining growth.
Goal '25	100% signed Supplier Code of Conduct 70% of suppliers (by spend) have working conditions audit 90% of suppliers (by spend) report sustainability metrics to Axkid	GHG neutral in Scope 1 & 2 Accurate GHG reporting for Scope 3 GHG emissions peak (absolute) 25% recycled material	5% turnover from refurbished seats 40% growth from 2022
Goal '30	Axkid is established as thought leader on child safety in vehicles 100% of suppliers have working conditions audit with A-rating	50% total CO2 emission reduction in Scope 1, 2 & 3 'Take back' system on all markets Shipping net zero	50% turnover from refurbished seats 200% growth from 2022
Goal '40	Maintain results	Net zero GHG in the whole value chain	Turnover: 33% rental seats 33% used seats 33% new seats

Enablers	Crash Sensor in all seats, reporting structure set up, sustainability website, supply chain transparency and will to collaborate
Governance	Sustainability council, ISO9001 global, GRI reporting standard
Communication	Transparent, fact based, precise, relevant, standardised (reporting)
Main KPIs	Number of car seats sold, number of car seats rentals, share of recycled material, number of non-conformities in production audits

Revamped Renewable Energy Goals: The objective of achieving 100% renewable energy in the supply chain by 2030 has been replaced with goals for implementing take-back systems and achieving net-zero shipping, aligning with evolving sustainability practices.

PROFIT:

Business Expansion Goals: We've included growth figures to reflect our aspirations for business expansion, demonstrating our commitment to financial prosperity alongside sustainability.

Refurbishment Adjustments: Refurbishment figures have been revised to align with updated goals, ensuring accuracy and alignment with our sustainability objectives.

New Profitability Target: A new goal for 2040 has been added to our profitability targets, illustrating our long-term vision for sustainable growth and success.

Strategic plans evolution

In 2023, Axkid AB's board took a decisive step to align the company with the Paris Agreement, marking a significant shift in our strategic direction. This strategic pivot has led to a comprehensive reassessment of our sustainability approach, prompting the identification of 12 focused initiatives aimed at driving our sustainability agenda forward. Previously, our sustainability efforts were organised into five broad categories.

However, recognising the need for a more detailed and nuanced approach, we have subdivided our

initiatives into a greater number of focused efforts, each with a clearly defined goal, scope, and responsible party.

While these initiatives are still in the developmental phase, they exemplify our commitment to advancing sustainability across our operations. The chart to the right provides an overview of these initiatives, which will be further refined and implemented throughout 2024.

Key Performance Indicators (KPIs):

While subject to potential refinement throughout the year, the outlined KPIs have been carefully selected and are actively monitored since 2023.

Planet %	People	Profit
GHG reduction	Survey metrics	BSCI rating
Recycled materials		CSRD compliance %
SBT commitment		Number of deviations in VCA audits
Sold new seats		
Rented seats		
Sold second hand seats		
Material recycled from take back seats at end of life		

Initiative — Detailed description — Goal

Initiative	Detailed description	Goal
TIER 2+	Change to material suppliers that have set a net zero goal before 2040. Use 100% recycled materials by 2030.	Net zero emissions 2040
TIER 1	Educate our current suppliers in sustainability. Convince them to commit to a Science Based Target. Replace suppliers that refuse to commit to Net Zero.	Net zero emissions 2040
Axkid Scope 1 & 2	Educate our Climate Neutrality Team in sustainability. Make each site set up a plan for net zero.	Net zero emissions 2025
Distribution	Choose partners for logistics that have a net zero target	Net zero emissions 2030
Use/sales	Increase percentage of Care and used seats	Transfer to circular business model
End of life	Build separation centre. Roll out take back system on all markets. Update products with design for recycling.	Recycle 100% of take back seats at end of life
Knowledge management	Harness our knowledge by making it available throughout the company. Create onboarding and training program.	Every employee shall be a thought leader
Good place to work	Create a safe, inclusive, and well-supported workplace, guided by robust policies and audits	Be a sustainable, attractive employer
Stakeholder engagement	Establish transparent communication with internal and external stakeholders	Align with our stakeholders
Sustainable supply chain	Ensure ethical sourcing through codes of conduct, audits, training, and whistleblower mechanisms for suppliers	Documented good working conditions in our supply chain
Transparency and Reporting Initiative	Annual Sustainability Report and supply chain reporting	Correct, automated and compliant sustainability reporting
Risk management	Manage risks by planning for crises, training regularly, and evaluating post-crisis	Mitigate risks in our environment

Policies

Environmental policy

Our Environmental Policy serves as a roadmap for employees to support Axkid's environmental objectives in their day-to-day operations. Aligned with our robust sustainability agenda, it underscores the integration of sustainability across all facets of our operations.

The targets outlined in this policy are derived from Axkid's Global Sustainability Strategy and Code of Conduct, ensuring cohesion with our broader objectives. Endorsed by the CEO, it stands as an internal document, symbolising our dedication to environmental responsibility.

Regular training sessions are conducted annually to disseminate the policy, ensuring that all employees are equipped with the knowledge and understanding necessary to contribute to our environmental goals effectively. This Code applies to all Axkid suppliers and is outlined in our Responsible Sourcing Policy for Tier 1 and 2 suppliers. It is accessible to all suppliers through our supplier portal. Signed by Axkid's Chief Sustainability and Technology Officer (CSTO), it is mandatory for all new suppliers. Axkid conducts risk-based due diligence and expects full compliance with environmental regulations from its suppliers.

Code of Conduct

Our Code of Conduct aligns with international standards, particularly the ten principles of the United Nations Global Compact, tailored to address sector-specific challenges.

Human Rights: Upholding human rights is paramount. We adhere to internationally recognised principles outlined in the UN Global Compact, ensuring equal treatment and respect for fundamental rights by all employees and affiliates.

Equality: At Axkid, we promote equality. Discrimination based on race, gender, religion, politics, nationality, social origin, sexual orientation, or age is strictly prohibited across all aspects of employment.

Responsibility: Managers oversee the communication, understanding, and implementation of the Code. Employees and affiliates are encouraged to report any concerns regarding the Code to an Axkid representative.

Environmental Stewardship: We prioritise environmental responsibility. Practices that minimise environmental impact and utilise environmentally sensitive substances or processes are actively encouraged.

Communication and Training: Our Code of Conduct is an internal document, while our Supplier Code of Conduct is publicly available. It is communicated annually through training sessions, with every employee required to read and sign it yearly.

Supplier code of conduct

Axkid AB and its subsidiaries maintain rigorous ethical standards in business operations. Our Supplier Code of Conduct ensures adherence to human rights, labour practices, sustainability, and ethical standards.

Human Rights: We uphold fundamental human rights principles. Discrimination is strictly prohibited, and we encourage gender balance across all levels of employment.

Respectful Treatment: All employees must be treated with dignity and respect. Compliance with these principles applies to all worker types, without exception.

SUPPLIER RESPONSIBILITIES:
- Understand and comply with the Supplier Code of Conduct.
- Sign a written acknowledgment confirming adherence to its principles.

Speak up
The Axkid whistle blower mechanism

Our Speak Up portal provides a secure platform for employees and stakeholders to report any concerns regarding our business practices. This system ensures confidentiality and protection from any potential repercussions. It allows for the swift reporting of issues such as financial misconduct, harassment, theft, or unsafe working conditions, thereby safeguarding the integrity of our operations and the well-being of individuals.

Reports can be submitted anonymously, and stringent measures are in place to ensure the confidentiality of the information provided.

While contact details can be voluntarily shared, they are not mandatory. Concerns can also be reported via email to speakup@axkid.com or by post to Axkid AB, Göteborgsvägen 94, 431 37 Mölndal, Sweden.

Upon submission, reports are directed to speakup@axkid.com, a mailbox managed by our People and Culture Team. Efforts are underway to appoint an external, impartial party to handle these reports, further enhancing transparency and impartiality in our reporting process.

Read more ›

Membership associations

TECHNICAL ASSOCIATIONS
SIS TK242: A working group within the SIS (Swedish Institute for Standards) which gathers experts and representatives from the industry to deal with issues surrounding 'Child Safety in Cars'. The working group handles questions, drives development and information in Sweden, and is a subgroup of the international ISO group within 'Child Safety in Cars'. It is the group that represents Sweden at an international level within the industry.

ISO/TC 22/SC 36/WG 2: A working group within ISO (International Organization for

Standardization) that handles standards relating to "Child restraint systems", i.e., car seats. The group works to develop standards in the industry at an international level, as well as collaborating with other groupings within ISO to drive development within Passive Safety for the entire automotive industry. The group creates standards that are the basis for the technical aspects of regulations.

SAFER: is a competence centre where about 50 partners from the Swedish automotive industry, academia and authorities cooperate to create a centre of excellence within traffic safety research and safe mobility.

Community impact initiatives

At Axkid, we are committed to making a positive impact on our communities through various sustainability initiatives and partnerships. These projects encompass both internal efforts and collaborations with external stakeholders, reflecting our dedication to social responsibility.

In recent years, we have undertaken philanthropic projects and made charitable donations as part of our community engagement strategy.

These initiatives are detailed in this section, showcasing our commitment to giving back and supporting meaningful causes.

Ambulance infant transport project

Axkid collaborated with an ambulance nurse and PICTA to tackle a crucial issue in infant ambulance transport. Together, they partnered with Chalmers University to initiate a thesis project focused on understanding the problem and devising a solution.

The goal of Axkid's involvement is to aid in the commercialisation of a product that enhances infant transportation safety in ambulances worldwide. Axkid has committed resources to drive the project forward, utilising student and university expertise as the product category lies outside Axkid's sales channels.

While the project may not yield direct financial benefits for Axkid, our dedication stems from the potential to enhance child transportation safety.

Infants requiring urgent care pose unique challenges for ambulance personnel, as current equipment and protocols often fall short of their needs. Existing solutions for infant transport lack efficiency and safety, underscoring the necessity for a new, tailored product for infants aged 0-6 months.

In 2023, a thesis project was initiated to grasp stakeholder requirements and explore commercialisation prospects for the envisaged product.

Key objectives included:

- Enhancing transportation safety.
- Improving access to infants' vital parts during transport.
- Ensuring infants' warmth and comfort.
- Incorporating features for infant weighing.

In collaboration with Semcon, a Swedish engineering consultancy firm, Axkid engaged Chalmers University of Technology to spearhead a project suitable for students pursuing a master's degree in mechanical engineering.

The ongoing project aims to advance the concept and main geometry using a circular approach.

Expected outcomes in 2024 include:

- Compilation of buyer requirements overview.
- Concept design development.
- Prototype production.
- Prototype testing in a simulated environment.

The circular car

Axkid is actively engaged in the "The Circular Car" research project, aimed at facilitating the transition to a circular car fleet by 2045. The project involves collaboration among both new and established stakeholders across the value chain.

Project Objectives:

- Enable actors within the value chain to develop strategies and implement concrete measures for transitioning towards circularity.
- Tailor strategies and measures to each actor's specific conditions while fostering system-wide change.
- Identify, evaluate, and, if necessary, develop, test, and demonstrate strategies and measures to facilitate implementation.

Project Duration: The project is scheduled to continue until November 23, 2026.

Axkid's Contribution: Axkid is contributing to the project with an in-kind investment valued at 150,000 SEK.

Work Packages: The project comprises seven distinct work packages, outlined below:

1. Market Analysis
2. Technology Assessment
3. Policy and Regulatory Framework
4. Business Models and Financing
5. Stakeholder Engagement
6. Pilot Projects and Demonstrations
7. Monitoring and Evaluation

The project receives funding from Vinnova, the Swedish innovation authority, under the FFI program (Vehicle Strategic Research and Innovation) and is overseen by RISE (Research Institutes of Sweden).

Internships

As part of Axkid's commitment to fostering a diverse workplace and giving sutdents valuable work life experience,, we offer internships and thiesis projects, primarily at our head office in Sweden. These internships serve as valuable learning experiences for students, providing them with mentorship and hands-on training in various fields, including engineering and marketing. Through these internships, students gain practical skills and industry knowledge that enhances their competitiveness in the job market. On average, we host between 1 and 5 interns or thesis project students per year, contributing to the development of future talent in our industry.

Charity donations

In December 2023, as part of Axkid's continuous sustainability efforts, we conducted a customer survey to identify our core customers and their sustainability priorities. To incentivise participation, we offered a €10 charity donation for each response received. The survey garnered a total of 543 responses, resulting in a donation of €5,430 to the charity organisation Save The Children.

The grand prize for the Christmas Calendar Quiz was a €500 donation to a charity of the winner's choice. The individual who provided the correct answer first opted to donate to Medica Mondiale, a women's rights and aid organisation headquartered in Cologne, Germany. Medica Mondiale focuses on supporting projects and advocating politically for girls and women impacted by sexual violence in conflict zones worldwide.

Environmental impact

We gather environmental impact data from all divisions within the Axkid group, consolidating it through the Worldfavor platform, an ESG reporting system. This comprehensive approach ensures transparency and accountability in our environmental reporting practices.

Operational boundaries

White label supply chain

Axkid China supply chain
- Finished products
- Axkid assembly plant
- Parts
- Part supplier
- Raw material

Logistics
- Shipping

Axkid HQ
- Operations
- Own workforce

Distributor sales, usage and end-of-life
- Distributor → Shop → Customer → Usage → End of life

Axkid sales companies
- Warehouse → Shop / Axkid E-Com → Customer → Usage → Repairs → End of life

Axkid care, usage and end-of-life
- Warehouse → Axkid E-Com → Customer → Usage → Refurbishment centre

Operational boundaries

Axkid adopts the operational control approach, which entails reporting on activities over which it or its subsidiaries have full authority to establish and enforce operating policies. In practical terms, this means reporting Scope 1 and 2 emissions from our wholly-owned subsidiaries, including:

- Axkid AB (Sweden, HQ)
- Axkid Gmbh (Germany sales company)
- Axkid Sas (France sales company)
- Axkid Ltd (UK sales company)
- Axkid China (China assembly plant)

Our China assembly plant, while included in reporting, has limited Scope 1 & 2 emissions as we solely assemble parts produced by external sub-suppliers to our specifications and drawings. The figure on the opposing page illustrates the Axkid value chain, with the operational boundary depicted by the blue line. Activities within Axkid's control fall within this boundary, with each arrow representing a transportation process.

SCOPE 3 EMISSION CATEGORY ANALYSIS

In determining the boundaries of our Scope 3 emissions, we have referred to the categories outlined in the GHG protocol standard, as depicted in the table to the right.

Emission categories		In scope	Planned	Not relevant
Upstream Scope 3 emissions	1. Purchased goods and services	•		
	2. Capital goods			•
	3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)			•
	4. Upstream transportation and distribution		•	
	5. Waste generated in operations	•		
	6. Business travel	•		
	7. Employee commuting		•	
	8. Upstream leased assets			•
Downstream Scope 3 emissions	9. Downstream transportation and distribution	•		
	10. Processing of sold products			•
	11. Use of sold products			•
	12. End-of-life treatment of sold products		•	
	13. Downstream leased assets		•	
	14. Franchises			•
	15. Investments			•

Each emission type has been classified as "in scope," "planned," or "not relevant" based on our operational expertise and judgment.

We are currently analysing the emissions factors within Scope 3 that have been identified as "in scope" across our various subsidiary operations.

Scope 3 category analysis

|	Axkid AB (Sweden, HQ)	Axkid Gmbh (Germany sales company)	Axkid Sas (France sales company)	Axkid Ltd (UK sales company)	Axkid China (China assembly plant)
1. Purchased goods and services	Office material	Office material	Office material	Office material	Purchased parts,
5. Waste generated in operations	Office waste, prototype waste	Office waste	Office waste	Office waste	Production material waste,
6. Business travel	Car rentals, air flights or train trips	Car rentals, air flights or train trips	Car rentals, air flights or train trips	Car rentals, air flights or train trips	Car rentals, air flights or train trips
9. Downstream transportation and distribution	Finished product transported by truck, rail, ship	Finished product transported by truck, rail, ship	Finished product transported by truck, rail, ship	Finished product transported by truck, rail, ship	–

Greenhouse gas emissions

Total emissions reported

This year, we are disclosing our total Scope 3 emissions, acknowledging that while the data accuracy may have limitations, it provides valuable insight into our emissions profile.

Our emissions reporting continues to evolve, allowing us to track changes over time. For comparability with previous years, we categorise emissions into Scope 1, Scope 2, and previously reported portions of Scope 3.

In 2022, our total reported greenhouse gas emissions, excluding purchased material and transport, amounted to approximately 67 tCO2e. In 2023, this figure increased to 141.1 tCO2e. The rise is primarily attributed to heightened air travel and increased energy consumption, contributing 41.6 and 12.2 tCO2e, respectively. However, we achieved a 35% reduction in Scope 1 emissions through targeted initiatives. The graph below illustrates this trend, with emissions normalised by turnover showing a similar pattern of development.

Total emissions tCO2e

(Scope 1: 7,8 — Scope 2: 17,2 — Scope 3: 3260)
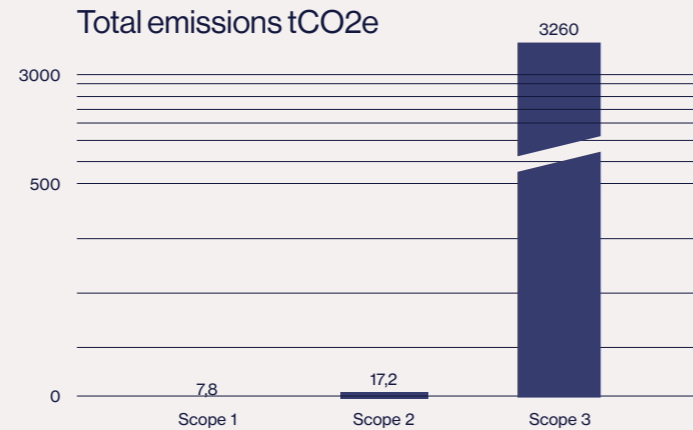
Scope 1 Emissions

Our Scope 1 emissions primarily originate from our company vehicles and one of our facilities. To address this, we have taken significant steps towards sustainability. We have transitioned most of our vehicle fleet to electric models, with only one diesel vehicle remaining. Furthermore, we are actively planning to replace the oil burner in our recently acquired facility in the UK with a more sustainable heating system by 2024. These initiatives demonstrate our commitment to reducing our direct emissions and advancing our environmental goals.

Direct Energy 2023	tCO2e (kg)
Burning/heating oil	0,635
Car - Diesel	7,167
Car - Electric	0,000
Total	7,8

Total Scope 1 GHG emissions tCO2e

(2021: 7,0 — 2022: 12,0 — 2023: 7,8)
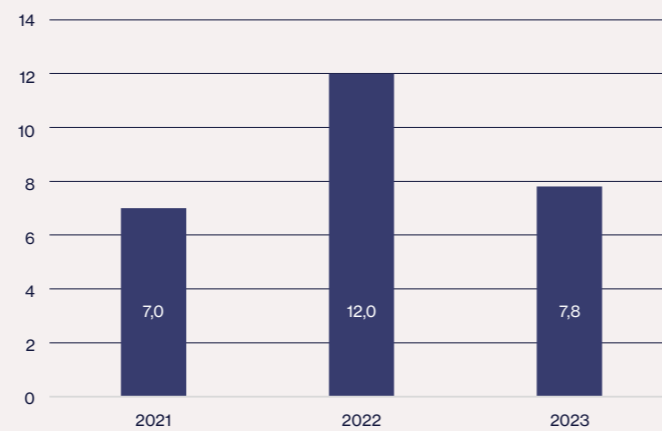
The company set up for vehicles:

	UK	CN	AB	DE	FR
How many vehicles does the company have?	None	None	6	1	2
How many of the vehicles are petrol/diesel and electric?	N/A	N/A	100% electric	100% electric	100% diesel
Are there any changes planned for vechicles?	None	None	None	None	Replace diesel cars by electrical one in 2024

The data for Scope 1 and 2 has been gathered by questionnaires to the managers of the companies in the group. The data has been entered into the online reporting system Worldfavor. The system provides graphs showing changes over the years and also does the calculations that convert our data into CO2 equivalents.

Scope 2 Emissions

As we continue to include more sites and data in our reporting the emissions tend to grow, but we now foresee a stabilisation in the addition of new factors to the Scope 1 and 2 reporting. This year we have moved into a new office in the UK, this shows in the emissions. We also see that our reporting tool gives us a significantly higher emissions ration on electric power in China that we got last year.

| Indirect Energy 2023	tCO2e (kg)
Electricity China	16,716
Electricity Sweden	0,235
Electricity UK	0,206
Total	17,2

ENERGY CONSUMPTION

Energy consumption has experienced a slight increase compared to the previous year, primarily attributed to the establishment of our new office in the UK. Previously, Axkid did not maintain a presence in the UK. However, as our administrative staff and demand for content creation grew, the necessity for office space became apparent.

Total Scope 2 GHG emissions tCO2e

(2021: 1,0 — 2022: 5,0 — 2023: 17,2)
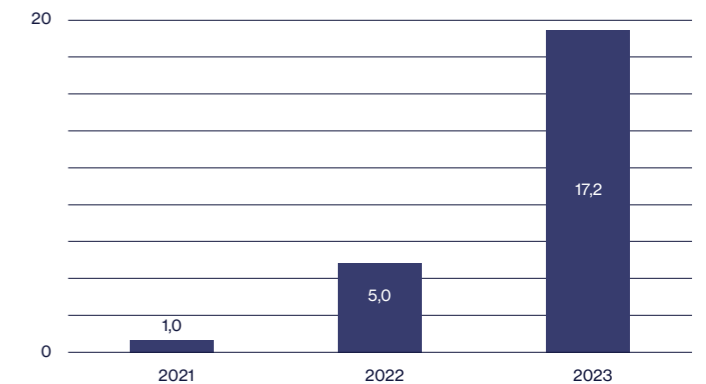
Total energy consumption MWh

(2021: 35 — 2022: 60 — 2023: 66)
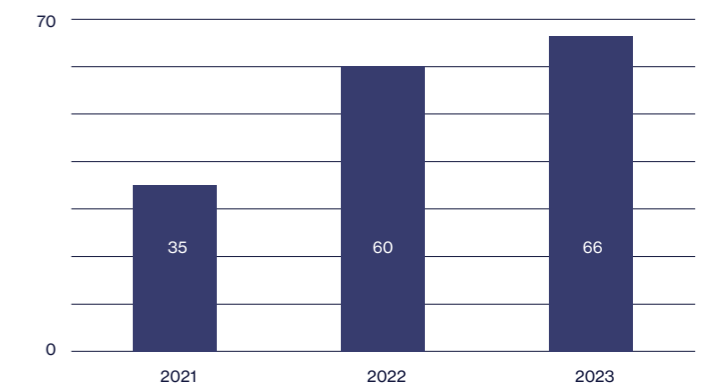
SHARE OF RENEWABLE ENERGY

The share of non-renewable energy has increased slightly due to the new UK office where the heating system is outdated. An upgrade is planned during 2024.In China there is a plan for installing solar panels that will power the whole site during 2025.

Scope 3 emissions

According to the Scope 3 emissions factors analysis in the operational boundaries section, our emissions factors in Scope 3 that are rated as "in scope" for 2023 are:

- Purchased goods and services
- Waste generated in operations
- Business travel
- Downstream transportation and distribution

We have divided our Purchased goods and services emissions into subcategories to be able to measure against previous years as we add more comprehensive data to the report.

- Purchased goods and services
- Transportation
  - Office
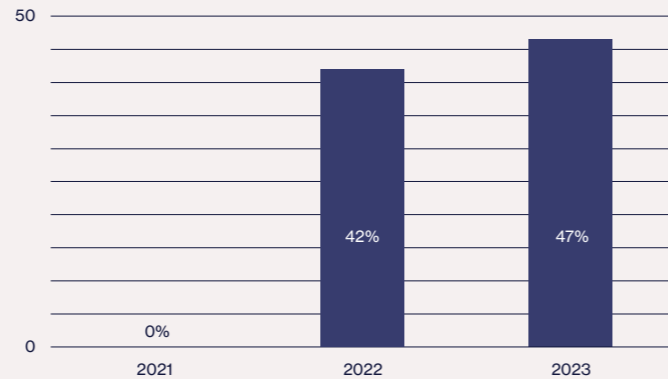 - Transportation
  - Production material

Non-renewable energy percentage

PURCHASED GOODS & SERVICES

| Office 2023	tCO2e (kg)
Mobile phones	0,216
Laptops/Computers	2,237
Other IT equipment	1,366
Computer screens	1,864
Household waste Combustion	0,019
Household waste Open-loop recycling	0,023
Total	5,7

TRANSPORTATION

In addition to our primary focus on transportation emissions, we also assess the environmental impact of shipping, which falls under purchased services. Our analysis indicates that shipping seats from China to Europe by boat results in an estimated 75 tons of CO2 equivalents.

Scope 3 tCO2e
Purchased Goods & Services Office
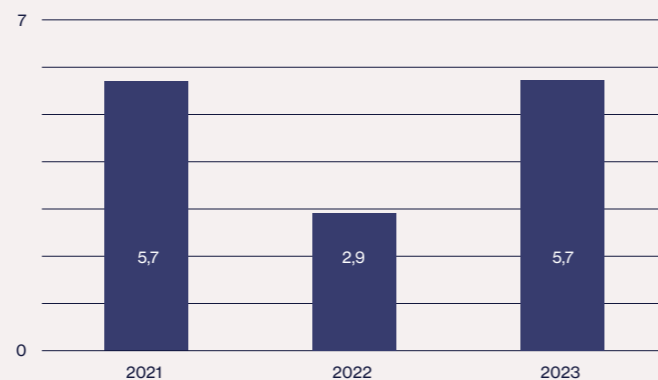
Furthermore, air shipping, provided by two separate suppliers, contributes approximately 6.3 tons of CO2 emissions each, totaling around 90 tons. It's important to note that these figures are based on estimations and generalisations and should be considered indicative rather than precise values.

Local transports from warehouse to customer/consumer are excluded from this calculation.

Transportation 2023	tCO2e (kg)
Sea shipping	70,3
Air freight (0,47 t)	4,2
Total	74,5

BUSINESS TRAVEL

The graphs below illustrate a significant increase in our business travel. This rise can be attributed to our decision to include the entire group in the 2022 reporting. Additionally, the impact of pandemic restrictions in 2021, which greatly reduced travel within and between Europe and Asia, is evident. It's important to note that interns and short-term consultants are not factored into the business travel reporting as they report through their respective organisations.

However, consultants in key positions are included in the reporting. The total emissions from business travel amount to 27.15 tCO2e, with long haul flights contributing 20.8 tCO2e.

PRODUCTION MATERIAL

Data for material use has been collected by using BOM lists for each product, extracting weight and material type, this has then been multiplied by data for sold units from our business system. Materials have been grouped into very broad categories like metal instead of using individual steel types. This simplification has been done due to lack of detailed data on each material.

We have gathered the information below on the main materials we use. Note that this is an estimation due to the complex nature and number of materials that are used in a seat, not all materials are accounted for, and many estimations have been made. These figures should be seen as indications rather than precise measurements. We still think the data is valuable information, but is should be viewed knowing that the data is simplified.

Scope 3 tCO2e
Transportation
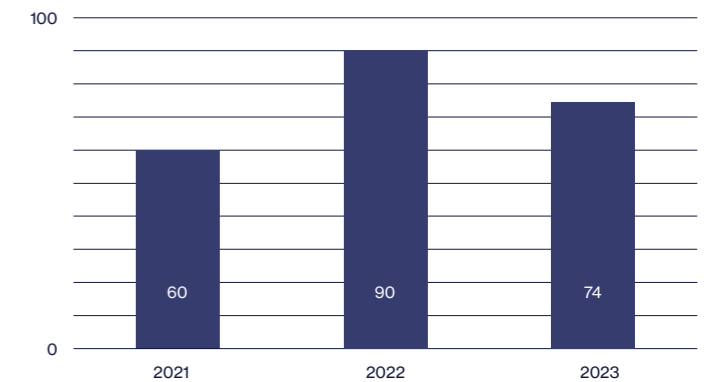
Scope 3 tCO2e
Business Travel
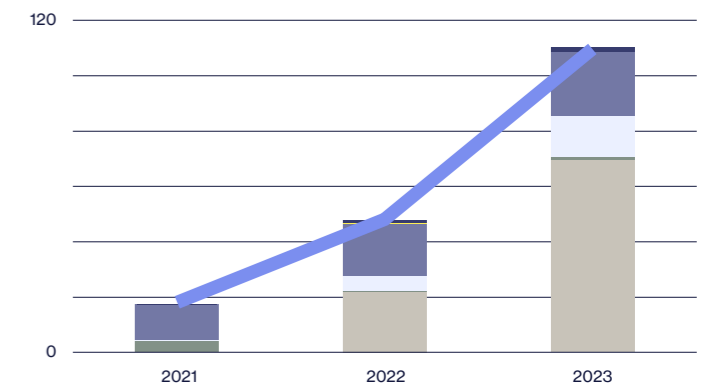
- Train
- Taxi
- Car travel
- Hotel stay, average all countries
- Short-haul flights
- Long-haul flights
- Total

RECYCLED MATERIALS

Through our suppliers we have gathered the information below on the main materials we use. Note that this is an estimation due to the complex nature and number of materials that are used in a seat, not all materials are accounted for and many estimations have been made. These figures should be seen as indications rather than precise measurements. Data on recycled content has been collected from our suppliers via email and the data used is estimations from their side.

Production material 2023	tCO2e (kg)
Electrical items - small	0,6
Aluminum	187,7
Steel	562,5
Board	22,8
Board (recycled)	70,0
Paper	9,2
Average plastics	955,0
LDPE and LLDPE (incl. forming)	15,4
Polystyrene	73,8
Polyester	1 147,4
Total	3 044,3

WASTE

The waste generated comes from prototypes and normal office waste. It is worth mentioning that we build prototypes in our development projects that are used for testing. These products are not approved to be sold and Axkid has a strict policy that prototype seats may not be used by consumers in any way, therefore they have to be disposed of. Most waste is sent for recycling; the remaining part is sent for incineration.

Waste and emissions tCO2e

	2021	2022	2023
	1,2	2,4	2,0

(Chart: bar values 1,2 / 2,4 / 2,0; left axis 0–100, right axis 0,0–3,0 ton)
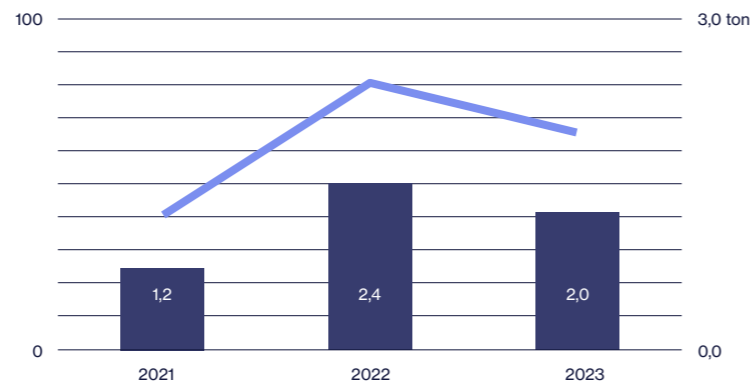
Share of recycled material in production 37%

Material	Use (t)	Recycled content %	Recycled content (t)
Aluminum	23,1	70%	16,1
Electronics	0,1	0%	0,0
Foam	24,0	0%	0,0
Metal	255,7	70%	179,0
Plastic	307,8	0%	0,0
Print	10,1	70%	7,1
Textile	42,0	0%	0,0
Packaging plastic	5,9	0%	0,0
Cardboard	128,4	70%	89,9
Total	797,2	37%	292,1

Our people

At Axkid, our strength lies in our people. As leaders in child safety, we recognise that our employees are our most valuable asset.

We prioritise our workforce through initiatives such as the Good Place to Work programme, focusing on several key areas:

- People and Culture
- Workplace health and safety
- External Audits
- Code of conduct
- Internships

People and culture (PaC)

The People & Culture team serves as an integral part of our management team, actively fostering our internal culture and supporting our employees. This initiative is a strategic enabler of our company's overall strategy. Key Responsibilities:

- Cultivating team spirit and morale through events and newsletters.
- Upholding and embedding Axkid Core Values within the organisation.
- Reporting to the Management team.
- Organising our annual global conference.
- Conducting employee surveys and follow-up.
- Operating as a whistle-blower function, reporting deviations to the management team.

The PaC team comprises a minimum of four members, including representatives from Sweden, sales companies, and the management team, the latter chosen by democratic vote from all Axkid employees.

Employee surveys

Our employee survey focuses on three main areas: Attitude & Well-being, Goals & Core Values, and Roles & Responsibilities.

Sent out semi-annually, the survey's content has been standardised this year to align with these main areas. Attitude & Well-being: This section assesses employees' personal experiences and overall well-being, addressing stress and work-life balance metrics across four key areas. Goals & Core Values: We gauge employees' alignment with our core values and strategic focus areas, including People and Culture, through workshops and ongoing initiatives. Organisational Aspects: This section monitors changes in roles and organisational structure, highlighting challenges such as internal communication efficiency, which will be a focus area for 2024.

STRENGTHS & CHALLENGES

Our strengths lie in employees' pride in working for Axkid, feeling valued as team members, and their alignment with our core values. Moving forward, our main challenges include addressing stress and work-life balance issues, enhancing our focus on sustainability, and improving internal communication efficiency. The PaC team will play a pivotal role in supporting management in fostering inclusivity, addressing challenges, and leveraging our strengths as we progress.

Since 2021 our People and Culture team have hosted events, conferences and other activities such as step-competitions where the employees come together over non-work relted activities and get to know each other on another level. This is very important for us as an international company, to make everyone feel a part of the same global team.

Workplace health and safety

Axkid has an active H&S (health and safety) work in the sites that have an office. The German sales company is located in the Swedish office and is included in the work there. Axkid France do not have own offices and a small workforce so the H&S work there is limited.

In the Swedish and Chinese offices, H&S manuals have been developed based on industry standards. There is a quarterly walkthrough of the facilities, checking for risks, and improvements. A person is appointed to be responsible for this work and this person reports to the local management about status and deviations.

EXTERNAL AUDITS

The long-term plan is to do external audits on our sites to make sure that Axkid lives up to requirements and also to get an impartial statement on the level of compliance. As a first step out China site has been audited by NQC with a score above its peers. More information about this in the section about production sites.

In Sweden, trade unions have audited the office for workplace health and safety with good results. This work is continuously followed up.

CODE OF CONDUCT

Details on the Axkid Code of Conduct can be found in other chapters in this report.

Training sessions are held on a yearly basis with different focus areas. In 2023 the focus was put on whistle blowing and harassment.

Work-related ill health

Worker related ill-health is measured by surveys among the site managers. So far we have not reported any serious injuries in our company.

The number of fatalities as a result of work-related injury	Employees	0
	Non-employees	0
The number of high-consequence work-related injuries (excluding fatalities)	Employees	0
	Non-employees	0
The number of recordable work-related injuries	Employees	0
	Non-employees	0
The main types of work-related injury	Employees	0
	Non-employees	0
The number of hours worked (total in company during year)	Employees	79871
	Non-employees	41120
High-consequence risks or hazards: which hazards have caused injuries	NA	
High-consequence risks or hazards: actions taken to eliminate these hazards	NA	
If any workers have been excluded from this disclosure and why	No	

Health & Safety Management system

Occupational health and safety is addressed differently in the different companies of the group due to different legal requirements, organisation size, risk environment, organisational maturity. In this disclosure only Axkid sites in China and Sweden are included.

In this report, we disclose health and safety management practices for Axkid China and Axkid Sweden exclusively. The remaining organisations, each comprising between 2 and 5 employees, lack a formalised health and safety management system. Primarily engaged in sales and administration, these entities steer clear of high-risk activities.

Instead, they adhere to guidelines outlined in our employee handbook and exercise a pragmatic approach to mitigate workplace risks.

Health & Safety Management system	Axkid China	Axkid AB
System description	ISO9001	Internally developed system based on industry standards
Legislative Requirements Mandating System Implementation	Labour Law of the PRC	Labour laws of Sweden
Coverage of Workers, Activities, and Workplaces within the System	All employees and temporary workers	All employees and consultants

HAZARD IDENTIFICATION, RISK ASSESSMENT, INCIDENT INVESTIGATION

Ensuring process quality and personnel competency within the organisation

Axkid China	Axkid AB
Structured approach is detailed in the Infrastructure and Work Environment Control Procedures	Structured approach is detailed in the Work Environment Policy

Continuous improvement of system

Axkid China	Axkid AB
Data analysis and improvement control procedure	A quarterly meeting occurs between the workplace representative and the CEO to conduct safety rounds and assess risks.

Reporting hazards and safeguarding against reprisals for workers

Axkid China	Axkid AB
Report to Direct Manager/Site GM	See §08:1 Form for reporting incidents or accidents in appendix

Investigation protocol for work-related incidents

Axkid China	Axkid AB
Work health and safety management Program	See §08:1 Form for reporting incidents or accidents in appendix

Occupational health services: A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimisation of risks, and an explanation of how the organisation ensures the quality of these services and facilitates workers' access to them.

| Axkid China	Axkid AB
Work health and safety management programme	A quarterly meeting between the work environment representative and the CEO ensures they conduct safety rounds, review risk assessments, and investigate the work. Additionally, they examine incidents as outlined in the appendix.

Worker training on occupational health and safety: A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.

Axkid China	Axkid AB
Human Resource Control Programme & Work health and safety management programme	The safety representative is responsible for ensuring that all employees undergo first aid training every three years. Additionally, managers and supervisors must possess knowledge and understanding of workplace risks and conditions conducive to a positive work environment.

Work-related injuries: A description of the organisation's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships, and the related hazards and risks.
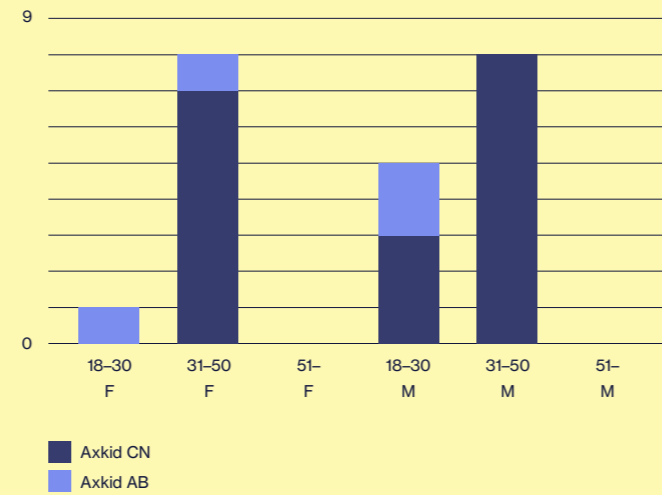
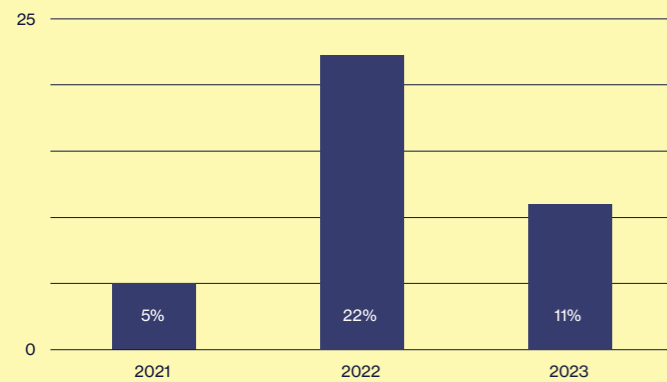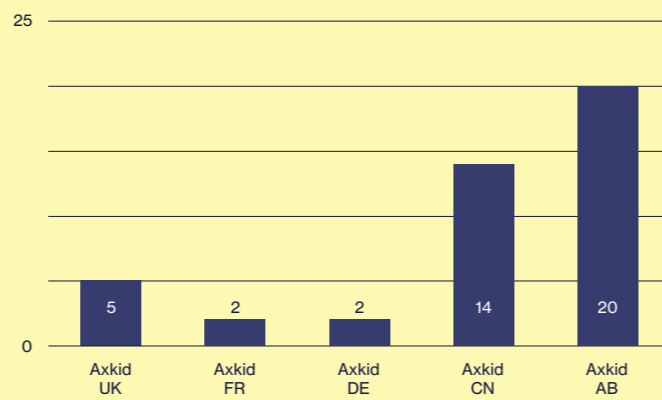| Axkid China	Axkid AB
Work health and safety management programme	It is mandatory to investigate all occurrences within the business. Upon an incident, utilise form §09:1 for reporting and investigation. The individual involved should approach their nearest manager to complete the form collaboratively.

Number of permanent employees*

45		
25	31	42
0		
2021	2022	2023
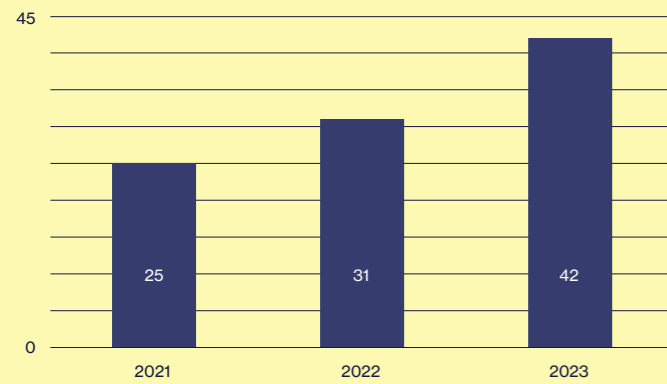
★ end of year

Workers who are not employees, age and gender by site

9

0

18–30 F | 31–50 F | 51– F | 18–30 M | 31–50 M | 51– M

■ Axkid CN
■ Axkid AB

Employee turnover rate %

25		
5%	22%	11%
0		
2021	2022	2023

Employees at end of year per site

25

0

Axkid UK	Axkid FR	Axkid DE	Axkid CN	Axkid AB
5	2	2	14	20

Workforce data

Employees

We gather data on our workforce composition each year. The data set up corresponds to the requirements in the GRI standard.

Non-employees

In the Axkid group we use consultants and contractors in many cases, both in office work and in production. The reasons for this is that sometimes we have a need for a part time resource, a specialist competence, or a short-term resource. Examples are accounting where most work is outsourced, engineering where projects manpower is provided by consultant companies. In our production, the assembly work is done by a staffing company, this reduces our need of HR overhead. Below you can see the details of our non-employed work force.

In Sweden, we enlist local consultants for engineering and marketing, leveraging regional expertise. In China, assembly staff are locally hired for efficient production and community engagement.

There were 21 non-employed workers reported by head count, at end of year. The most common types of worker and their contractual relationship with the organisation, the type of work they perform: Sales, admin, operations, after sales, product assembly, engineering, marketing.

HOW DATA IS COLLECTED:
Data is collected by a yearly survey of the site/company managers.

Diversity and inclusion

Information has always been a big topic among the employees of Axkid, going from a small start-up, where everyone knows everything, to a global SME with specialised roles has its challenges. In recent years we have faced the challenge of growing during lockdowns which means employees from different parts of the world cannot meet in person. Although digital meetings can make up for some of this, they still cannot replace face-to-face meetings. So, one of the big challenges during recent years has been to create a feeling that Axkid is one company. Being a diverse company with employees in and from many countries the cultural differences can sometimes create unnecessary complications in the internal communication. This is also shown in the surveys we send out to employees. One of the targets for 2023 is to improve internal information transfer to minimise frustration and make sure we can focus on what is important, to save children's lives by offering rear-facing safety.

There are no active initiatives for increasing workplace diversity. We are still small and from a statistical perspective our groups are too small to represent a cross section of society.

However, we try to contribute where we can and one such example is our participation in the IGE day in 2022 (Introduce a Girl to Engineering Day) which takes place every year in March. On this day, engineering companies and tech organisations are encouraged to welcome girls and non-binary people between 13-19 years old and give them the chance to experience life as an engineer. We also offer short trainee positions in different areas.
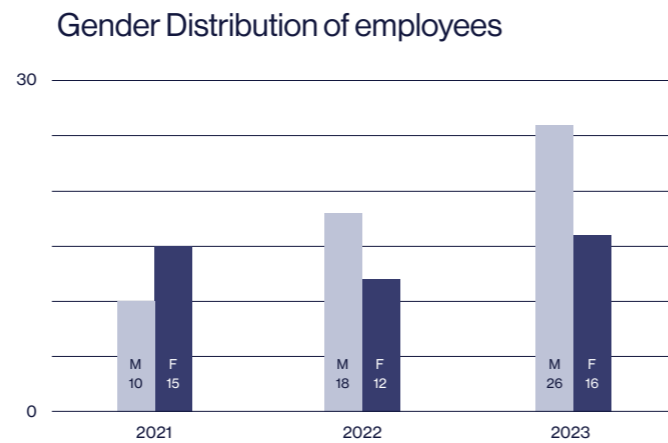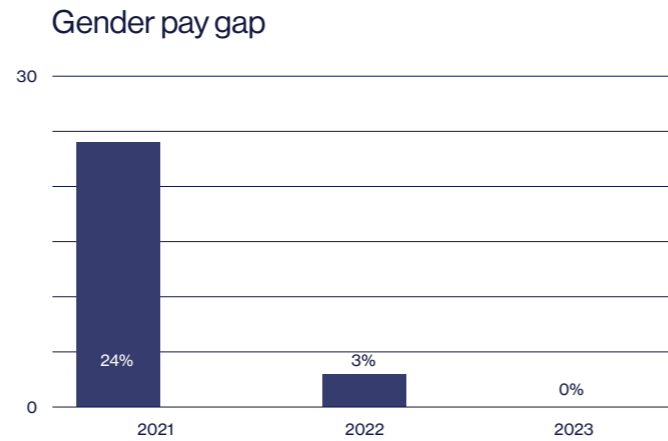
Appendix 1

GRI standard compliance

Axkid has reported the information cited in this GRI content index for the period 2023 with reference to the GRI Standards. GRI 1 used: GRI 1: Foundation 2021

Because of the relatively small scale of Axkid as a group, the focus for diversity and inclusion is primarily on making everyone feel like a part of the group. This work is handled by the People And Culture Steering Group that, among many other things, hold online events at times that are suitable for people on all sides of globe. Feeling like part of the team has been one of our main challenges in this area with the pandemic and moving over to digital meetings as an obstacle in creating an inclusive company culture.

We make sure important documents are bi-lingual, and that the group language is inclusive for everyone, using English as far as possible.

Gender pay gap

Due to the relatively low number of employees, a statistical correlation can not be established. Also, the low number of employees along with breakdowns into many groups make it difficult to maintain privacy in the information, therefore the smallest subsidiaries are excluded. We also discard the highest paid positions, such as CEO and Vice President.

The gender pay gap has decreased considerably since 2021 as seen in the graph below, this is mostly due to that we are now including the whole group in the reporting and that we have had big shifts in number of employees and increased number of female employees in higher positions. The pay gap is 4% for 2023. The data is collected by survey to the managers on the companies in the group. The calculation is based on Net pay + Income tax and calculated as an average over all employees regardless of position.

Gender pay gap

Year	Value
2021	24%
2022	3%
2023	0%

Gender Distribution of employees

Year	M	F
2021	10	15
2022	18	12
2023	26	16

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	8-14
	2-2 Entities included in the organisation's sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7
	2-4 Restatements of information	
	2-5 External assurance	
	2-6 Activities, value chain and other business relationships	22-37
	2-7 Employees	74
	2-8 Workers who are not employees	74
	2-9 Governance structure and composition	15
	2-10 Nomination and selection of the highest governance body	
	2-11 Chair of the highest governance body	
	2-12 Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of interest	
	2-16 Communication of critical concerns	
	2-17 Collective knowledge of the highest governance body	
	2-18 Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	
	2-20 Process to determine remuneration	
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	52
	2-23 Policy commitments	56
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	56
	2-27 Compliance with laws and regulations	
	2-28 Membership associations	57
	2-29 Approach to stakeholder engagement	45
	2-30 Collective bargaining agreements	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40-51
	3-2 List of material topics	51
	3-3 Management of material topics	40-51
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	
	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	
	203-2 Significant indirect economic impacts	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	27-29

GRI STANDARD	DISCLOSURE	LOCATION
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	
GRI 207: Tax 2019	207-1 Approach to tax	
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
	207-4 Country-by-country reporting	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	67-68
	301-2 Recycled input materials used	69
	301-3 Reclaimed products and their packaging materials	37
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	65
	302-2 Energy consumption outside of the organisation	30
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	65
	302-5 Reductions in energy requirements of products and services	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	30
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products, and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	64
	305-2 Energy indirect (Scope 2) GHG emissions	65
	305-3 Other indirect (Scope 3) GHG emissions	66-67
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	64-67
	305-6 Emissions of ozone-depleting substances (ODS)	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	68
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	74
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	72
	403-2 Hazard identification, risk assessment, and incident investigation	73
	403-3 Occupational health services	73
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	73
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	73
	403-10 Work-related ill health	72
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	15
	405-2 Ratio of basic salary and remuneration of women to men	76
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	30
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	30
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	58-61
	413-2 Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	
	414-2 Negative social impacts in the supply chain and actions taken	
GRI 415: Public Policy 2016	415-1 Political contributions	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	16-23
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	
	417-2 Incidents of non-compliance concerning product and service information and labeling	
	417-3 Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	

Pioneering safe adventures