
AXKID



AXKID GROUP SUSTAINABILITY REPORT 2022

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LETTER FROM THE CEO

I am pleased to present Axxkids sustainability report for the year, highlighting our ongoing commitment to sustainability and child safety. I believe it is our responsibility to not only work actively to save lives of children but also to contribute to a sustainable future for them to live in.

At Axxkid we are dedicated to creating innovative products and solutions that promote child safety. Our work goes beyond the products we make and the services we provide, and we are committed to promoting sustainable practices across our operations and products.

Our sustainability strategy is centered around three pillars: environmental stewardship, social responsibility and economic performance. We recognize the importance of reducing our environmental impact, and we have implemented several initiatives to achieve this. During the year we have analyzed our carbon footprint and are working towards achieving carbon neutrality in our operations.

We also understand the importance of social responsibility and the role we can play in creating a better world for future generations. As a manufacturer and developer of carseat Axxkid is by nature supporting safety for children when travelling in car, saving lives with our unique rearfacing car seats.

Finally, our economic performance is critical to our ability to achieve our sustainability goals. In 2022 we were facing challenges on many levels with rapidly increased cost at the beginning of the year and then a slow down in retail for that later part of the year. For us that impacted our sales levels and earnings for the year since we weren't able to recoup the increased cost levels or loss in volume equally quick. We are committed to deliver value to our customers and shareholders while operating our business in an ethical and sustainable way and have over the year set the agenda forward to deliver a strong economical performance.

We believe that our efforts towards sustainability and child safety are not only the right thing to do, but they are also a critical component of our business strategy. We are proud of the progress we have made, but we also recognize that there is still much more work to be done.

I would like to express my gratitude to our employees, partners, and boardmembers for their support and contributions towards our sustainability efforts. Together, we can make a positive impact on the environment, society, and most of all the well-being of children.

Best regards
Daniel Johansson



DANIEL JOHANSSON, CEO AXKID AB

INTRODUCTION

About this report

Reporting period, frequency and contact point 2-3

This is Axxid first sustainability report. It is focused on Scope 1 and 2 effects and disclosures. This report is structured after the GRI standard of reporting. Row below each heading are references to GRI codes. The report will be issued on a yearly basis.

Statement of use

Axxid has reported the information cited in this GRI content index for the period 2022-01-01 to 2022-12-31 with reference to the GRI Standards.

GRI 1 used:

GRI 1: Foundation 2021

List of reported disclosures:

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

Reporting period for financial reporting:

2022-01-01 to 2022-12-31.

The sustainability report is published shortly after the financial report as some information is included in both reports and the financial report has precedence over the sustainability report.

Publication date

2023-03-31

Contact point:

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Explanation of phrases and concepts

tCO2e:

A unit of measurement used to express the amount of greenhouse gas emissions in terms of their equivalent amount of carbon dioxide (CO2).

Consultants:

Consultants, contractors, and labor companies are all types of workers who are hired by an organization on a temporary or contract basis, rather than being full-time employees.

Greenhouse gas:

A gas that traps heat in the Earth's atmosphere and contributes to climate change. Examples include carbon dioxide (CO2), methane (CH4), and nitrous oxide (N2O). Pay Gap: The pay gap refers to the difference in pay between different groups of people, often based on factors like gender or race.

CO2 equivalent:

A measure of the total greenhouse gas emissions from a particular activity or source, expressed in terms of the equivalent amount of carbon dioxide (CO2).

Freedom of association:

Freedom of association is the right of workers to join together and form unions or other labor organizations to negotiate with employers for better wages and working conditions.

Scope 1:

Greenhouse gas emissions that come directly from sources that are owned or controlled by a company, such as emissions from company-owned vehicles or factories. Working conditions: Working conditions refer to the various factors that can impact the health, safety, and wellbeing of workers, such as noise levels, temperature, lighting, and ergonomics.

Scope 2:

Greenhouse gas emissions that come from the generation of electricity or other energy that a company purchases from a third-party source.

E-commerce:

E-commerce refers to the buying and selling of goods and services online.



Scope 3:

Greenhouse gas emissions that come from activities that are outside of a company's direct control, such as emissions from the production of raw materials or the use of products and services by customers.

Value Chain:

Value chain refers to the various steps involved in the production, distribution, and consumption of a product or service. This can include everything from raw materials and manufacturing to marketing and sales.

CO2 neutral:

A state in which the amount of greenhouse gas emissions released into the atmosphere is offset by an equivalent amount of emissions reductions or removals.

Downstream:

Downstream entities refer to the organizations or individuals who are involved in the later stages of a product or service's life cycle, such as distributors, retailers, and consumers.

Life cycle analysis:

A method of assessing the environmental impact of a product or process throughout its entire life cycle, from production to disposal.

Material topics:

The most important environmental, social, and governance issues that are relevant to a company and its stakeholders.

Materiality:

The significance of a particular issue or topic in relation to a company's operations and stakeholders.
Environmental: Relating to the natural world and the impact of human activities on it.

GRI:

GRI, or Global Reporting Initiative, is a framework for sustainability reporting that provides guidelines for organizations to report on their social, environmental, and economic performance.

Producer responsibility:

Producer responsibility refers to the responsibility of producers to minimize the environmental impact of their products throughout their life cycle, including in the manufacturing, use, and disposal stages.

Waste:

Materials or substances that are no longer useful or wanted and are disposed of or discarded. KPI: KPIs, or Key Performance Indicators, are metrics used to measure an organization's progress towards specific goals and objectives.

Environmental management:

The practice of managing the impact of human activities on the natural environment, including measures to reduce pollution, conserve resources, and protect ecosystems.

Stakeholders:

Stakeholders are individuals or organizations that have an interest or "stake" in the activities and performance of an organization, including employees, customers, suppliers, shareholders, and communities.

Social sustainability:

Social sustainability refers to the ability of a society to meet the needs of its members while also maintaining a balance with the environment. It involves creating a society where everyone has access to basic needs like food, housing, healthcare, and education.

EU Taxonomy:

EU taxonomy is a classification system developed by the European Union to help identify and promote sustainable economic activities. It categorizes economic activities based on their environmental impact.

Diversity:

Diversity refers to the presence of different types of people within a society or organization. This can include differences in race, ethnicity, gender, age, religion, and sexual orientation. Embracing diversity is important for creating a more inclusive and equitable society.

Audits:

Audits are inspections or evaluations conducted to assess compliance with certain standards or regulations. They are typically used to ensure that a company or organization is meeting its sustainability goals and commitments.

Social sellers:

Social sellers are individuals or organizations that sell products or services through social media platforms like Facebook, Instagram, or Twitter.

Influencer:

An influencer is a person or group that has the ability to impact the decisions and actions of others, especially in the areas of social media and marketing. In sustainability and finance, influencers are individuals or organizations that can shape public opinion on issues related to sustainability or financial practices.

Inclusion:

Inclusion means creating an environment where everyone feels valued and supported. It involves actively seeking out and including people from diverse backgrounds, and making sure that everyone has access to the same opportunities and resources

Governance body:

The governance body of a company refers to the group of individuals or entities responsible for overseeing the management and direction of a company. This group may include the board of directors, executive committees, and other key decision-makers. The governance body ensures that the company is managed in a way that is ethical, responsible, and aligned with the company's values and goals.

Occupational Health and safety:

Occupational health and safety refers to the measures taken to protect the health and safety of workers in the workplace. This includes things like providing protective equipment, training employees on safety procedures, and ensuring that the workplace is free from hazards.

Management team:

The management team of a company refers to the group of individuals responsible for running the day-to-day operations of a company. This group typically includes top executives, department heads, and other leaders who are responsible for making key business decisions, managing employees, and ensuring the company is meeting its goals and objectives.



ABOUT AXKID

Organizational details 2-1

We are a Swedish company whose purpose is to save children's lives and contribute to a better and more sustainable world.

With our beginnings firmly rooted in the art of Swedish engineering, combining focus on safety and passion for children's right to travel safely, Axkid was founded in Gothenburg, Sweden, in 2009. Our desire to find new ways of doing things and the courage to challenge the status quo set us apart from our peers.

We offer products that provide maximum safety and always recommend rear-facing travel for as long as possible. We know that training and communication – as regards both parents and retailers – are important, making them integral parts of our business concept.

We want to set new, higher standards for child traffic safety by providing unique functions, technical solutions and enhanced comfort for both children and adults.

Improved standards and greater awareness save lives. Our solution is rear-facing travel, for as long as possible. We never compromise, and we never cut corners.

Axkid AB was founded in 2009 by Tony Qvist and Tony Broberg, both of whom had previously worked with child safety and car seats at various companies. They gathered a core team of people from companies in the car seat sector and Swedish automotive industry. The first seats that the company designed and manufactured were presented to the market in late spring 2011.

MILESTONES IN THE HISTORY OF AXKID

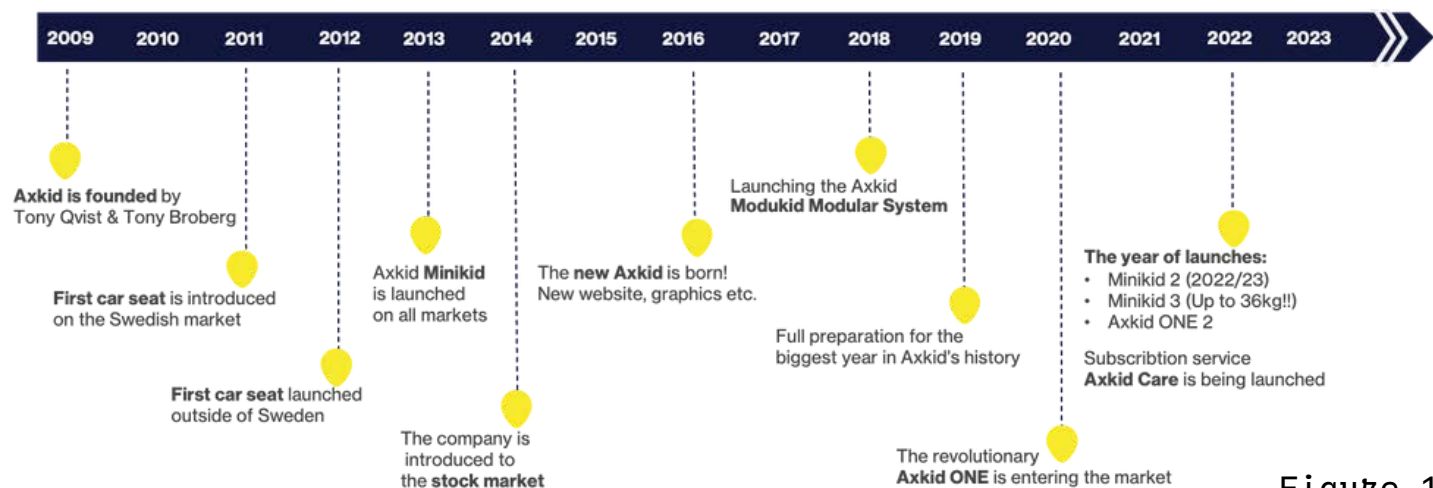


Figure 1

Company objectives

WHY? We are a Swedish company whose purpose is to save children's lives and contribute to a better and more sustainable world.

HOW? We are the global thought leader on safety products for children on the move.

WHAT? We bring safety and peace of mind to families in their everyday lives all over the world by providing safety for children in transport. Our solutions are developed based on research, where we put safety for the child at first. That is why our expertise and solution is rear-facing travelling for as long as possible.

OUR CUSTOMER PROMISE. At all touchpoints with Axxkid, you should feel taken care of and in safe hands. We will guide you through the buying journey, and you will walk away with a clear sense of professional care and peace of mind.



Our approach to safety

Assessment of the health and safety impacts of products and services 416-1

Our purpose is to save children's lives and contribute to a better and more sustainable world. We do this by bringing safety and peace of mind to families in their everyday lives by providing rear-facing safety as the solution, because we know that this saves children's lives.

Research shows that rear-facing car seats are up 5 times safer compared to forward-facing. Let us explain why:

1. Head/body weight ratio

Up to 25% of a child's total weight is in the head. For an adult it is only around 6%, as seen in Table 1 below. The heavy head needs more effort to keep balanced, and during the first 9-12 months the child is not able to hold its head up on its own, they need support. At this time it is critical for the child to travel in a rear-facing infant carrier. One issue that we see in many parts of the world is that as soon as the child can sit on its own, parents place the child in a forward facing car seat. Our recommendation is to keep the child rear-facing until 5-6 years of age.

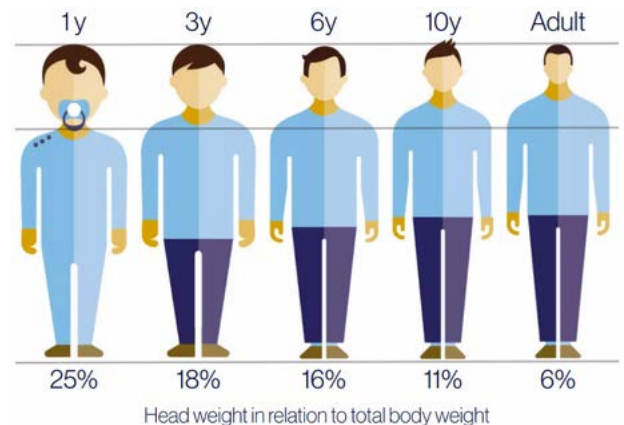
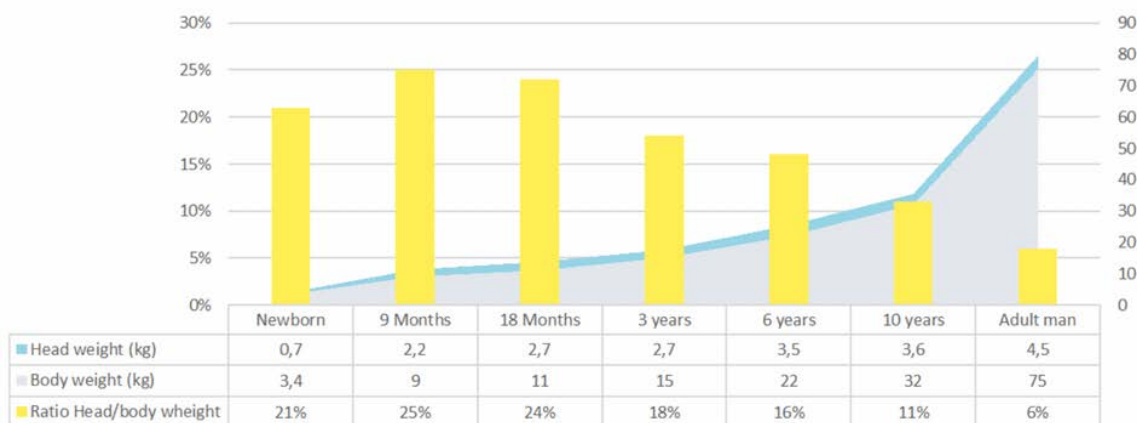


Figure 2







2. Neck development

A child's neck is extra vulnerable since it is not fully developed yet. The sensitive neck in combination with the head's weight makes it crucial to protect and support the child's neck for as long as possible. As seen in Table 2 below, in the early development of the neck, there is not much bone structure that stops lateral/shear movement. At the age of 5 to 6 years, the neck has developed to a level that can handle lateral forces much better, and the risk for severe or fatal neck injury in a forward-facing travel direction during collision is reduced. The risks of travelling forward facing at a too low age is that the neck cannot handle the forces in a crash. In the worst case, a crash can lead too a phenomenon called internal decapitation, where the vertebrae's move laterally relative to each other and damage the spinal cord and airways. For small children, due to the dynamics in the movement during a crash, the highest forces also appear in the higher vertebrae's that are even more sensitive than in older individuals.

0-1 years	1-3 years	3-6 years	Adult

3. Pelvis development

A small child's pelvis is not as stable as in an adult. There is more cartilage and the “horns” that are visible from 3-6 years of age have not yet been formed. In a forward facing seat, or for that matter a vehicle seat, the principle solution is to guide the lap-belt to be caught in the horn. For smaller children, without horns, this leads to greater risk of the lap belt sliding up onto the stomach and causing internal injuries. This phenomenon is known as submarining.

0-1 years	1-3 years	3-6 years	Adult
			

Our solution: Extended Rear Facing

A rear-facing car seat supports the child's entire back, neck and head, distributing the crash forces over a larger area and therefore significantly reduces the forces imposed on the sensitive neck. It also reduces risk of submarining and concentration of forces on the soft parts of the abdomen.

As illustrated in Figure 3.



Figure 3



The history of rear facing travel

In Sweden, our children have been traveling rear facing to greater extent than in the rest of the world since the 60s. This shows in the numbers of Figure 4 and Figure 5 below. There has been a positive development in Sweden for a long time.

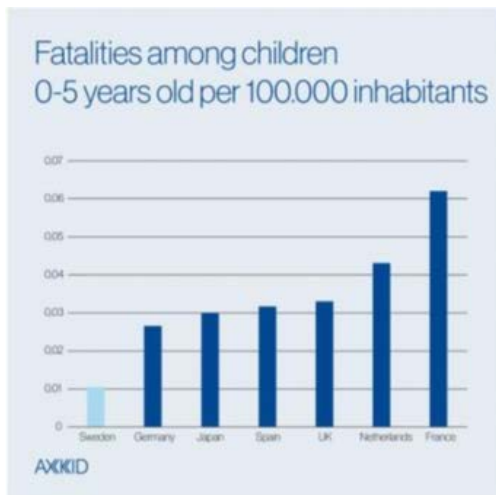


Figure 4

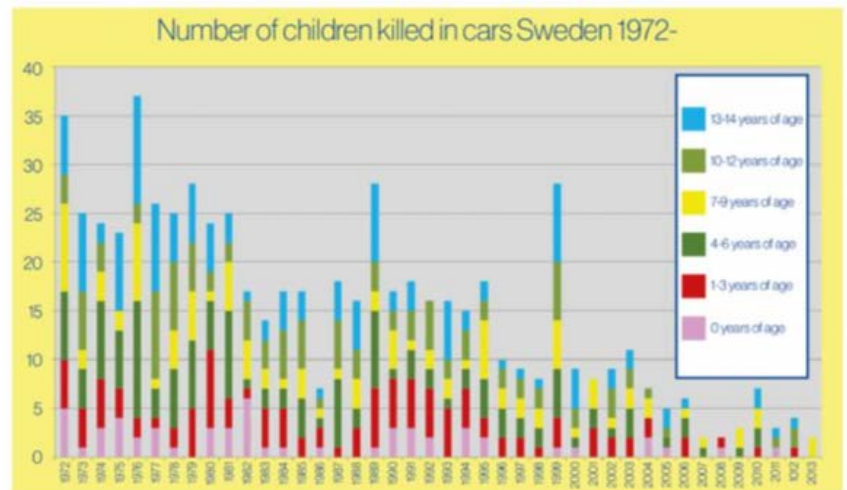


Figure 5

Regulations

To sell a child car seat in Europe, it must be approved according to a relevant UN regulation. The latest regulation is called UN R129 and came into effect during 2013 and is gradually replacing the older regulation called ECE R44.

The differences between R44 and R129 are, in a very simplified summary, that crash test dummies have been replaced by a newer and improved collection of dummies called "Q-dummies", Side impact has been added as a requirement, weight has been replaced by length as a grouping/classification of child car seats. All new Axxid products are approved to the R129 regulation. An illustration can be seen in Figure 6 below.

To approve a seat according to UN R129 the seat has to be dynamically crash tested according to a standardized set up of crashes, rigs and dummies. The dummies measure forces and accelerations and the car seat need to prove its performance by evidently reduce the resulting dummy values below certain limits specified in the regulation. The factory producing the seats also needs to be approved according to an audit procedure set in the regulation. This audit is performed twice a year after the initial approval. Car seats from the running production are also required to be sent for continuous impact testing to secure that the results are repeated over time. This provides the producer and approval holder with confidence that seats are safe over time.

It is worth mentioning that the tests performed are based on a number of measurements that are considered critical to safety, however the testing does not simulate real world crashes with real world children. The test dummies are a measurement tool, not a representation of a child. This is why Axkid, in the design of products, always works to achieve real world safety. This means making sure that the products not only perform well in crash tests, but also integrate into the vehicle safety systems and that installation is easy and that the possibilities for misuse and incorrect installation is as small as ever possible. We work with information in user manuals and installation support to make sure that our users can have peace of mind and rely on our product to provide the maximum safety at all times.

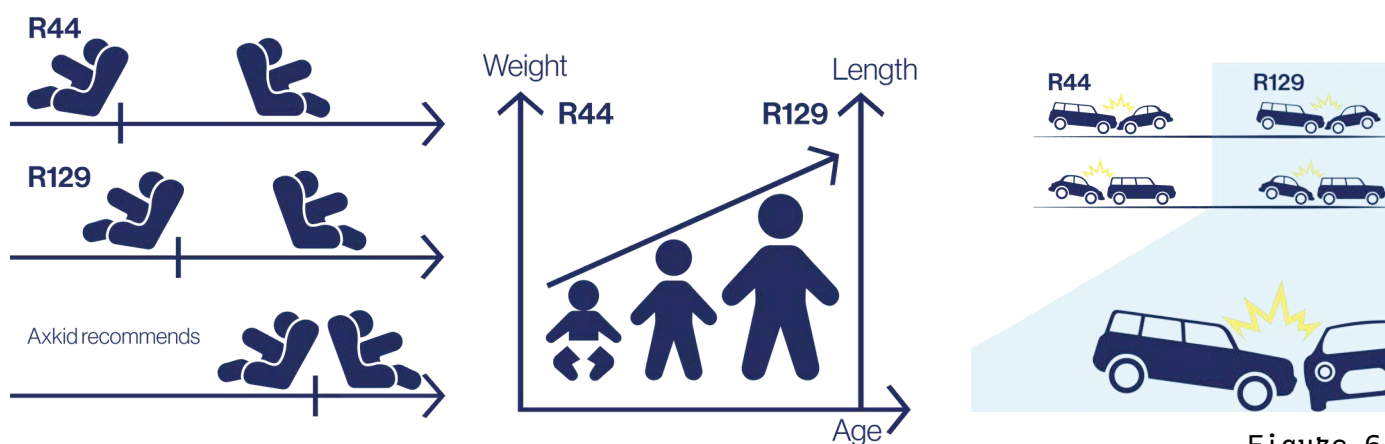


Figure 6

Testing

There are three dominant tests in the European child car seat market:

	UN Regulatory test, R129 Certification	Swedish Plus-test	Consumer rating test
Arranged by	Accredited test institutes	VTI, Swedish institute for road safety (Government owned)	Collaboration between Stiftung Warentest, ADAC, ÖAMTC and TCS
Description	Mandatory testing for product approval.	Voluntary testing with focus on neck protection in high severity frontal impact All eligible Axkid products are Plus tested.	Largest European child car seat test arranged twice a year by consumer organizations. Car seats are picked from physical stores and test for chemicals, ergonomics and crash safety. It is an independent test where the manufacturers have no insight into the test methods or when a seat is tested. The test results in a star rating from 1 to 5. Tests are sold to consumer magazines and organizations around Europe.

How do we do it?

To ensure that Axkid products fulfill all legal requirements and our own internal requirements on real life safety we use a few main tools and approaches.

Computer Aided Engineering, CAE.

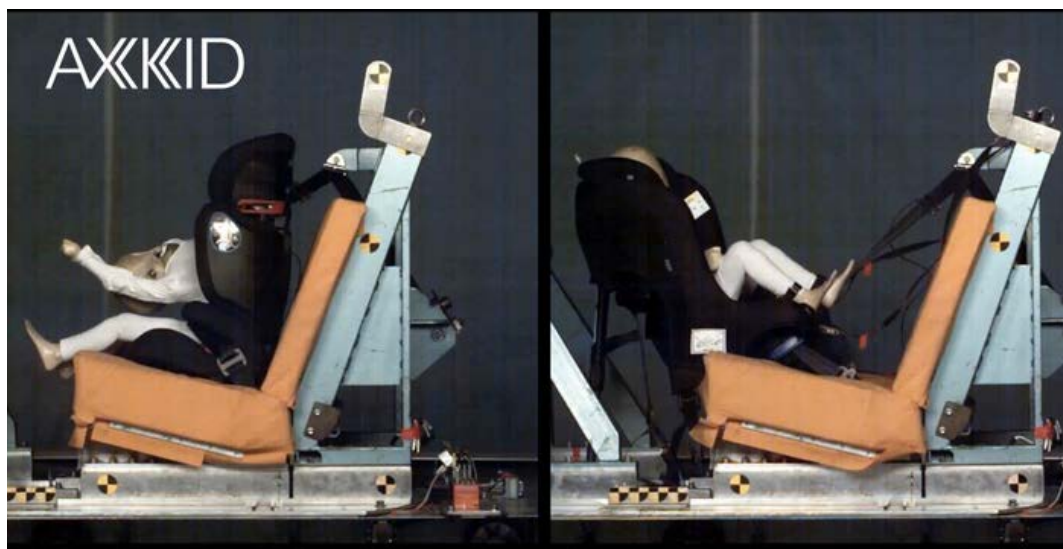
CAE is a central part of our product development. With the help of a long-term cooperation with an external CAE consultant company we have built up a solid understanding of the dynamics and limitations of designs. We iterate designs back and forth between simulation, functional design, industrial design, useability and consumer/child evaluations and clinics to achieve a result that in the end delivers the safety and useability that we want to achieve. We traditionally take an approach starting from the inside moving outwards. We start with the structure and safety, add on the useability and ergonomics to work out a final product design.

Chemicals.

Chemical safety is a big focus area for Axkid. We test all parts and materials that are in some way in contact with the child. We use a structured approach with technical regulations that describe the requirements we have for testing and chemical content. Our approach is based on compliance with the REACH regulation. REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. The main part of the regulation is the SVHC (Substances of very high concern) list that includes prohibited substances and limits for these that are safe for use.

Crash testing.

We build prototypes and small series seats when we have reached a level of maturity that theoretically delivers on our targets. These are then subjected to crash testing in rigs to verify the results from CAE and validate the performance in all the different test scenarios and environments mentioned above.



Design process.

To be able to deliver real world safety, knowledge is key. We acquire this knowledge by actively taking part in different forums, such as national and International Standardization Organizations, UN workgroups etc. In collaboration with other companies, we take part in research projects that drive the knowledge levels forward. All the learnings from this work is used as input to the design processes. Both in new projects and for changes to existing products.

The results:

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



But how do we know our seats are actually safe?

We get testimonials from parents that have been involved in crashes. May times the children who have been seated in a rear facing seat can walk away unharmed from a serious crash. Some examples can be seen here: [Axkid Minikid räddade Idas barn vid krocken](#) | [Axkid "She could have lived today"](#) |

Axkid core values:

Core Values are the beliefs that we, as a company, stand for. They serve as the compass that guides our actions, behaviors, and decision-making processes. They are simple and at the same time important, valuable, obvious, and guiding principles in our everyday work.



Knowledge

- We develop and design our sustainable products in-house and manufacture them at our own plants based on evidence and best practice. We see ourselves as the knowledge leader in the industry and are confident in that role.



Innovation

- Our products and solutions are based on technology and development that we generate ourselves. Our driving forces are curiosity, courage, and creativity. This gives us the confidence to be at the forefront within child safety.



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. Our employees are proactive, curious, and eager to understand what to do to help families find the safest products for their children

We measure core values association within the company on a yearly basis. Results for 2022:

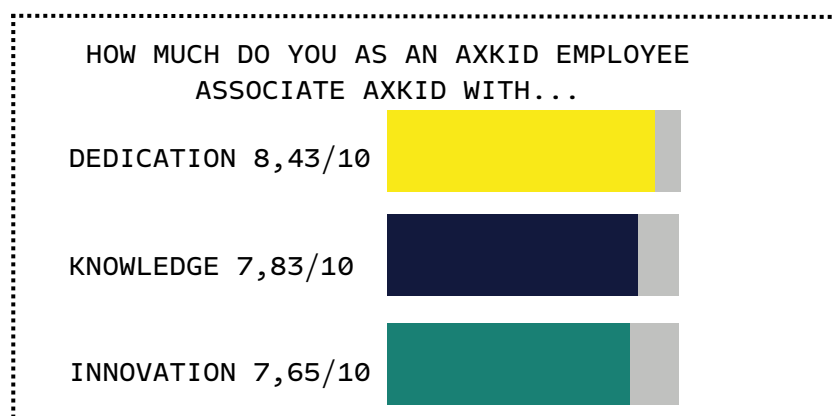


Figure 7

SUSTAINABILITY AT AXKID

Statement on sustainable development strategy GRI 2-22

We are a Swedish company whose purpose is to save children's lives and contribute to a better and more sustainable world.

Axkid has made a commitment to contribute to the UN Sustainable Development Goals, DSGs. We do this because it is expected of us but also because we see it as our responsibility. In 2022 we have scaled up the sustainability work, doing the research and education needed to create a credible strategy. We recognize that we have a challenge to reach the SDG 2030 goals, but this is a challenge we have chosen to accept.

Our draft sustainability strategy focuses on the five major components where we have the possibility to make an impact:

- Circular offer/business
- Technical improvements
- Sustainable supply chain
- Good place to work.
- CO2 neutrality (Scope 1 and 2)

Each with its own detailed plan, targets and KPIs, the areas are derived from an extensive pre study that has examined stakeholder requirements, legal requirements, SDGs, and how our business aligns with these and the gaps we see. As of today, we have developed a Code of Conduct (CoC) in which our staff is trained and also an internal Environmental Policy and a supplier CoC that is in the process of roll out.

One initiative that is ongoing is Axkid Care, which is a rental offer, where customers in Sweden can rent their car seat and return it when it is not needed. Then we refurbish the seats and rent out again, securing quality and safety is intact. This is one of the areas where we see that Axkid can make a difference from an environmental perspective.

From a safety perspective, we keep pushing the message of the safety of extended rear facing travel. We have as the first company globally seized sales of combination seats, seats that can be used both forward and rear facing, because we believe this is not a safe option.

We are working on a project with an infant carrier produced with bioplastics, the first of its kind. With this project we aim to reduce CO2 emissions but also push the mind set that safety products can be produced in alternative materials and hopefully the market will follow our initiative.

Disclosure Practice are based on the GRI (Global Reporting Initiative) standard. We self-declare this report according to GRI standards with a 34% fulfillment, reporting on 40 of 117 topics. Our goal is to be fully GRI compliant.

We strive to keep our employee engagement at the high level it is already on. Our employee surveys show that our employees are highly dedicated to our purpose to save children's lives and contribute to a better and more sustainable world.

But primarily, our biggest impact is aligned with SDG 3, target 3.6. reducing deaths and injuries in traffic accidents.... This is what we do every day, and this is fully aligned with our purpose as a company. We see that all our employees are committed to this goal, and it comes back in all our activities and initiatives.

We continue to inform and spread the word on extended rear facing travel through marketing, influencer collaborations and through targeted initiatives, such as the rear facing day, a seminar where decisionmakers, politicians, influencers and others are invited. The events are hosted by the Swedish chamber of commerce and Axxkid, together with other key players in the area give lectures and inform about rear facing safety. These events have been held in Poland, Spain, Serbia, and others. Important to note that we only arrange this to promote rear facing safety, not the Axxkid brand or products.

Policies

Policy commitments 2-23

Environmental policy

The Environmental Policy describes how employees can contribute to Axxkids environmental goals in their everyday work. Axxkid has an ambitious sustainability agenda and for the goals to be reached, it is important that sustainability is considered by all employees in our daily work along with the aspects we are used to working with. The targets described in this policy are based on Axxkids Global Sustainability Strategy and Code of Conduct.

The Environmental Policy has been signed by the CEO of Axxkid. It is not publicly available as it is an internal document. The policy is communicated internally in yearly training sessions.



Code of Conduct

This Code of Conduct is based on international agreements, primarily the ten principles provided in the United Nations Global Compact. The Code is adapted to the specific circumstances and challenges in the sector in which we operate.

Human rights are rights, freedoms and standards of treatment regarded as belonging to all persons. Axkid respects and supports internationally recognized human rights, and this Policy is guided by the principles found in the United Nations Global Compact.

All employees at Axkid, and affiliates to Axkid must respect and support these standards. All employees and affiliates at Axkid shall be entitled to fundamental human rights, which shall be known, understood, respected, and applied equally. Employees must be informed of their fundamental rights in a language they understand.

At Axkid all employees are of equal value. No one shall be discriminated at recruitment, selection, employment, compensation, transfers, promotion, growth, development, or training. In this policy the term discrimination includes any distinction, exclusion or preference made based on race, gender, religion, political opinion, national extraction, social origin, sexual orientation, or age.

It is the responsibility of Axkids managers to make sure that both the content and the spirit of this Code are communicated, understood, and acted upon. Affiliates and employees are encouraged to raise any matter of concern with regards to the Code with an Axkid representative.

Best environmental solutions, precautionary approach. Practices minimizing the impact on the environment shall be encouraged and care shall be taken with environmentally sensitive substances or processes. The best environmental solutions should always be sought.

This Code has been signed by the most senior level of management, the Board of Directors.

The CoC is not publicly available as it is an internal document, our Supplier CoC is publicly available as this needs to be accessed by external parties.

The CoC is communicated internally in yearly training sessions. Each employee is required to read and sign the CoC on a yearly basis.

Supplier code of conduct

To Axkid AB and its subsidiaries, it is important to conduct our business at the highest ethical standard. Therefore, we have adopted this Supplier Code of Conduct to make sure that our suppliers are aware of our position on human rights and working conditions, sustainability, and ethical business practices and what is expected from them in this regard. Axkid requires a representative from each of its suppliers to:

- Read and understand the Code,
- Sign a written acknowledgement that they have done so.
- Ensure that both the content and the spirit of the Code are respected and acted upon.

The Code shall apply to all suppliers to the Axkid group. The Axkid Responsible Sourcing Policy outlines the responsibilities of Tier 2 and 3 suppliers and so forth.

Human rights are rights, freedoms and standards of treatment regarded as belonging to all persons. Axkid respects and supports internationally recognized human rights, and this Policy is guided by the principles found in the United Nations



Global Compact. All suppliers, partners, or affiliates of Axxkid must respect and support these standards. All employees in suppliers, partners, or affiliates of Axxkid shall be entitled to fundamental human rights, which shall be known, understood, respected, and applied equally. All employees in suppliers, partners, or affiliates of Axxkid must be informed of their fundamental rights in a language they understand.

In this policy the term discrimination includes any distinction, exclusion or preference made based on race, gender, religion, political opinion, national extraction, social origin, sexual orientation, or age. At Axxkid we strive for a gender balanced work force, and we encourage our suppliers to do the same. All employees at suppliers, partners, or affiliates of Axxkid are entitled to be treated with respect, therefore, discrimination, bias, offensive or abusive treatment, harassment, or retaliation by managers during recruitment, employment, compensation, transfers, promotion, growth, development, or training is never tolerated.

The requirements of the Code shall apply equally to all supplier employees and workers including, but not limited to, permanent, temporary, full-time, part-time, contract and agency employees and migrant workers. Compliance with this supplier code is in addition to, not in lieu of, any supplier obligations set forth in other agreements, or similar between a supplier and Axxkid.

Additionally, compliance with this code is each supplier's individual responsibility and Axxkid recommends each supplier to regularly communicate this code and its requirements to its officers, employees, and affiliates.

The Code is based on international agreements, primarily the ten principles provided in the United Nations Global Compact (attached in appendix 1). The Code is adapted to the specific circumstances and challenges in the sector in which we operate.

Axxkid conducts risk-based due diligence when evaluating suppliers. All suppliers are required to cooperate with Axxkid's due diligence process and must accurately complete all questionnaires and provide any requested supplemental documentation and information in a timely manner to qualify for contracts with Axxkid.

Best environmental solutions, precautionary approach. Sustainability is an integrated part of how we do business at Axxkid. Suppliers are expected to participate in our sustainability programs and projects.

Suppliers must comply with all applicable environmental laws, rules, and regulations. Practices minimizing the impact on the environment shall be encouraged and care shall be taken with environmentally sensitive substances or processes. The best environmental solutions should always be sought, and a precautionary approach shall be used for new materials or processes introduced.

- The Supplier CoC has been approved by the CSTO of Axxkid.
- The Supplier CoC is publicly available. Link to Axxkid Supplier Portal where the Supplier CoC is published.
Supplier Portal | Axxkid
- The Supplier CoC is required to be signed by all new suppliers.



Speak up – The Axxkid whistle blower mechanism

Mechanisms for seeking advice and raising concerns 2-26

The Speak Up portal is a form where employees or any other concerned party can raise concerns about the organization's business conduct in a way that keeps them safe from risks of retaliation.

In this reporting system you can quickly and easily report concerns about actual or suspected misconduct that can affect our company or the wellbeing of people. This system makes it easy to report an incident about workplace issues like financial and auditing concerns, harassment, theft, substance abuse and unsafe conditions.

The reporting system shall not be used to make false accusations against others, and altogether, deliberately untrue information may not be reported.

We encourage reporters to provide their name in the report as this makes it safer and easier for us to communicate. However, they can also choose to remain anonymous. It is possible to report anonymously, and care has been taken to make sure that no data is saved that is not actively submitted. You can enter your contact details, but it is voluntary.

Reports can also be sent by E-mail to speakup@axkid.com, or by letter to Axxid AB, Göteborgsvägen 94, 431 37 Mölndal, Sweden

When you submit a report, an email will be sent to speakup@axkid.com, a mailbox that is controlled by the People And Culture Team. We are working for a solution to get an external, non-bias party to take care of the reports.



Materiality

Process of finding our material topics

Process to determine material topics 3-1

Three major areas are investigated to find external requirements and risks related to sustainability: Stakeholders, Legal requirements, UN sustainable development goals (SDG's). In these three areas a first prioritization has already been done. For instance, our impact on biodiversity, Education, poverty, hunger, marine life, and other areas is considered negligible.

The process of defining our material topics has been as follows:

- Workshops to define internal ambitions for sustainability.
- A gross list of topics is generated.
- Issues are prioritized and combined to form initiatives.
- Targets and plans are set for each initiative.

The starting point is our purpose:

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







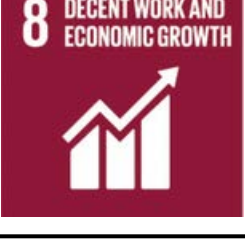

UN Sustainable Development Goal alignment

To define where Axxid can make a difference related to the SDG's, the goals and sub-targets were reviewed in detail. Data was retrieved from: <https://sdgs.un.org/goals>. From the specifications of each of the 169 individual sub-targets an assessment was made to see how the targets align with the business goals of Axxid. We have focused on the areas where we see that we can contribute to the global fulfillment of the goals, not focusing on the size of the contribution. See example in Figure 8 below of Goal/Target/indicator:



Figure 8

Alignment to UN Sustainable Development Goals

SDG and target		How is this relevant to Axkid?	How can Axkid achieve effect in this topic?
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Target 3.6: Halve the number of global deaths and injuries from road traffic accidents</p>	<p>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.</p>	<p>Promote rear facing safety Keep growing to reach more children. Be available to a wider audience.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Target 12.2: Sustainable resource management</p> <p>Target 12.5: Reduce waste</p>	<p>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 get 's put in landfill or burnt, ending the cycle of reuse.</p>	<p>A circular business model is key to resource mgmt. Change to recycled materials. Make sure all materials can be recycled Reduce waste in supply chain</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Target 6.3: Water use reduction.</p> <p>Target 6.4: Water contamination reduction</p>	<p>A lot of water is used in dyeing of the textiles in our products. Materials used can release harmful chemicals to the water cycle</p>	<p>Use less water intense methods for dyeing. Use only REACH compliant materials.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Target 7.2: Increase of renewable energy use</p> <p>Target 7.3: Reduction of energy use</p>	<p>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.</p>	<p>Change to less energy intense processes, like textile dyeing, surface treatment of metals. Replace virgin aluminum. Switch to renewable energy</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Target 8.4: Reduce material footprint</p> <p>Target 8.7: Eradicate forced labor</p> <p>Target 8.8: Protect labor rights</p>	<p>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 labor rights and an equal and safe workplace in our own sites as well as our supply chain.</p>	<p>Signed code of conduct for all Axkid employees Signed code of conduct for all Axkid suppliers Regular audits on internal- and supplier sites.</p>
 <p>5 GENDER EQUALITY</p>	<p>Target 5.1: End gender discrimination</p> <p>Target 5.5: Ensure women's equal opportunities for leadership</p>	<p>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</p>	<p>Integrate gender equality in the code of conduct. Create and follow up on gender equality targets.</p>

Legal requirement analysis

Topic	How is this relevant to Axxid?	How can Axxid achieve effect in this topic
EU taxonomy	Banks and financial institutions will place requirements to follow the EU taxonomy's sustainability requirements to gain access to financing. We need to comply to preserve our credit lines, loans, etc.	Transitioning to a circular business model will fulfill the EU taxonomy.
Sustainability reporting	There are legal requirements to provide sustainability report together with the yearly report to authorities. Many external parties also require sustainability reporting.	Make a report based on the GHG Protocol reporting standard for CO2 emissions and base social topics report on the materiality analysis.
EU green deal	The European Green Deal aims to boost the efficient use of resources by moving to a clean, circular economy. Includes requirements on Eco-design, products to facilitate reparability and refurbishment. Waste minimization. This package of regulations and strategies will have major impact on the way we make products and do business.	A circular business model is required to stay competitive in the EU Green Deal environment Update products to facilitate repair and refurbishment - circularity. Strengthen PDM system to provide data for product pass
EU Whistle-blower directive	This directive requires companies above 50 employees to enable whistleblowing throughout their business.	Axxid will need to set up a grievance mechanism, a whistle blower reporting channel.
Climate change adaptation	Climate change is already here and to some extent affecting supply chains. The future will give even greater impact on both supply chains and markets.	A risk analysis will need to be performed on the areas of value chain and external stakeholder risks. Proactively invest in resilience to secure tomorrow's capacity.
Extended producer responsibility in EU	Today producers are required by law to report sold electronics, packaging, and batteries. More material types will be added in the near future.	Report required goods according to local EPR requirements.

Stakeholder requirements analysis

Stakeholder group and their needs	How are these needs relevant to Axkid?	How can Axkid achieve effect on these needs?
Our people (employees and partners) Ethical and moral good product Know products are doing no harm. Good working conditions Good employer brand value	We need to be able to answer on our own people's expectations on our products and the way we operate to maintain a good reputation. This is, not the least important to attract the right staff.	Ambitious sustainability agenda (for employer branding) Strengthen internal communication Establish social sustainability metrics and follow up.
Our supply chain Suppliers: Stability, forecasts, profits Need training, Develop together with Axkid	Our suppliers are the ones that generate most of the environmental impact from our operations. However, suppliers do not drive sustainability, it comes from government and customers. We need to work together with them to make any real difference.	Supplier Partnerships + training Requirements, targets and follow up (audits) Implement Supplier Code of Conduct
Governments Correct and timely tax payments Systematic H&S work Environmental legislation Audits & Yearly reports	We need to comply with the legislation in the areas where we operate. To do this it is vital to know what laws and rules that apply.	Set up and sustainability organization to monitor and fulfill rules and regulations.
Customers Sustainability reporting in customer specific online systems. Information transparency and availability Marketing content Sustainability certificates (if possible)	Our customers will face reporting requirements from their stakeholders. To maintain business partnerships, we need to help our customers with information, content and reports of different types.	Sustainability reporting Sustainability website Marketing content related to sustainability Social sustainability metrics and follow up.
Volvo Volvo requires 100% renewable energy in 2025. Compliance to their social sustainability requirements (through audits) 25-50% recycled material in product	We need to follow these requirements to keep our contract with Volvo. We can benefit from Volvos requirements because it pushes us to get better faster!	Work is ongoing in a separate project where we follow the specific Volvo requirements. Scope 1&2 neutrality 2025. Social sustainability metrics and follow up.
Users: adults and children Before purchase: Need information, for research online. Feel good about your purchase. Made in China gives a bad feeling regarding sustainability. Chemical content, lots of questions about this.	This is one of the most important aspects, our end users! For this group, communication is key. We need to deliver results but also be open and honest in our communication and make sure that our message reaches this group.	Sustainability website. Social sustainability metrics and follow up. Increased communication on chemicals, etc.
Owners and other financial stakeholders Sustainability reporting Financial reporting. Robust sustainability set up to enable partnerships with highly rated partners.	We will get increasing requirements to report sustainability in different tools and forums. Reporting details from an ambitious agenda will be key in the future.	Sustainability reporting Sustainable investment rating

Life cycle analysis approach

Together with experts at RISE, Research institutes of Sweden, we received a small government grant to perform an overview life cycle assessment of the Axkid One product. As this was a short project the system boundary was set to cradle to gate for the production of the seat. Due to time constraints, some estimations had to be made as a complete LCA is a very extensive and time-consuming project. The results of the project was, despite of it 's brief duration, an overview that points out what areas we would need to focus on to reduce the environmental footprint of the product. Three main areas were analyzed: Water consumption, Global warming contribution and ReCiPe indicators. Results can be seen below.

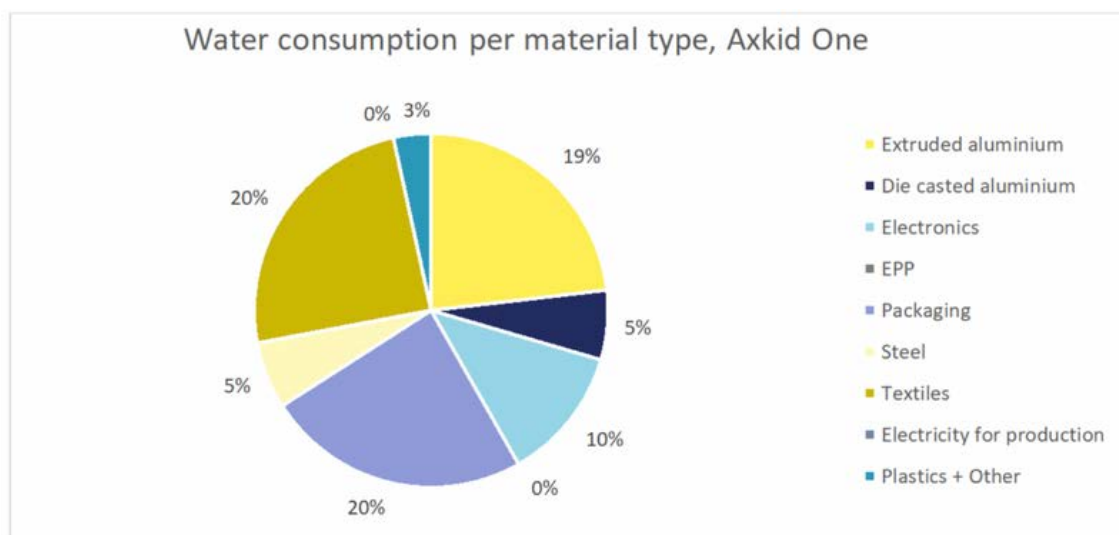


Figure 9

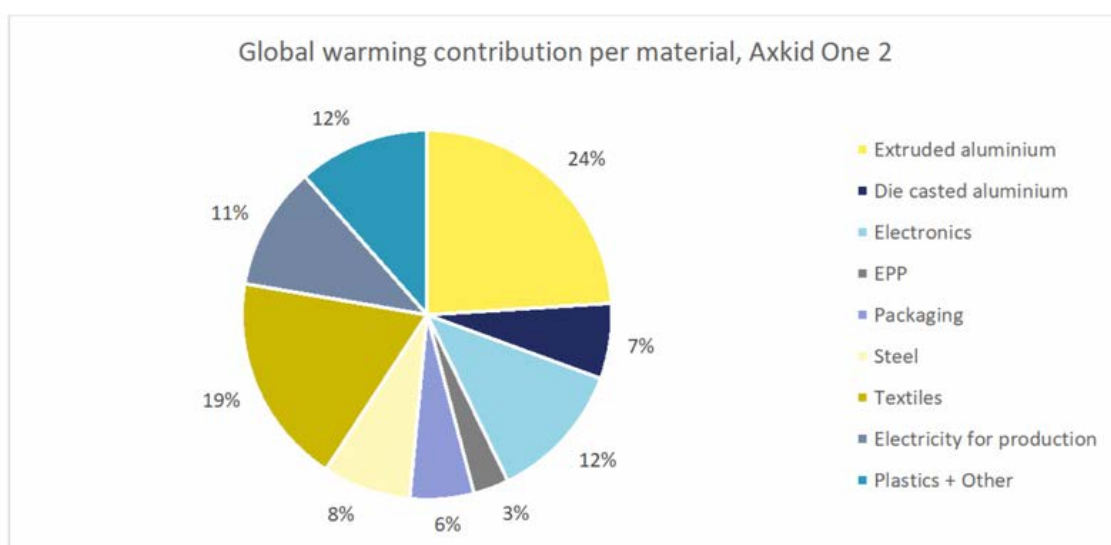


Figure 10

Analysis of the charts show us that aluminum, packaging, and textiles stand out in the data. These areas will be considered in technical improvements.

Materiality analysis

From the analyses of requirements and opportunities a list of actions was developed. It was categorized to People, Planet and Profit to get a first rough segmentation.

Type	Activities	Type	Activities
People	Promote Rear-facing safety	Planet	Replace virgin aluminum.
People	Signed code of conduct	Planet	Renewable energy
People	Supplier Partnerships	Planet	Metal surface treatment
People	Supplier Code of Conduct	Planet	Facilitate product repair
People	Gender equality	Planet	Product data management
People	Internal social sustainability	Planet	Reduce waste in supply chain
People	Suppliers' social sustainability	Planet	Suppliers provide GHG data
People	Grievance mechanism	Planet	Follow EPR rules
People	Chemicals information	Planet	Scope 1&2 neutrality 2025.
People	Sustainability website	Planet	Reporting precision
People	Marketing content (ESG)	Planet	Sustainability organization
People	Internal communication	Profit	Increase reach of offer
Planet	Materials recyclable	Profit	Circular business
Planet	Dope dyeing	Profit	Use recycled materials
Planet	REACH compliance	Profit	Climate change risks
		Profit	Supply chain resilience
		Profit	Sustainable investment rating



The activities were then rated for Importance to stakeholders and the impact that Axkid has on the topic. The result was the materiality matrix shown in Figure 11 below.

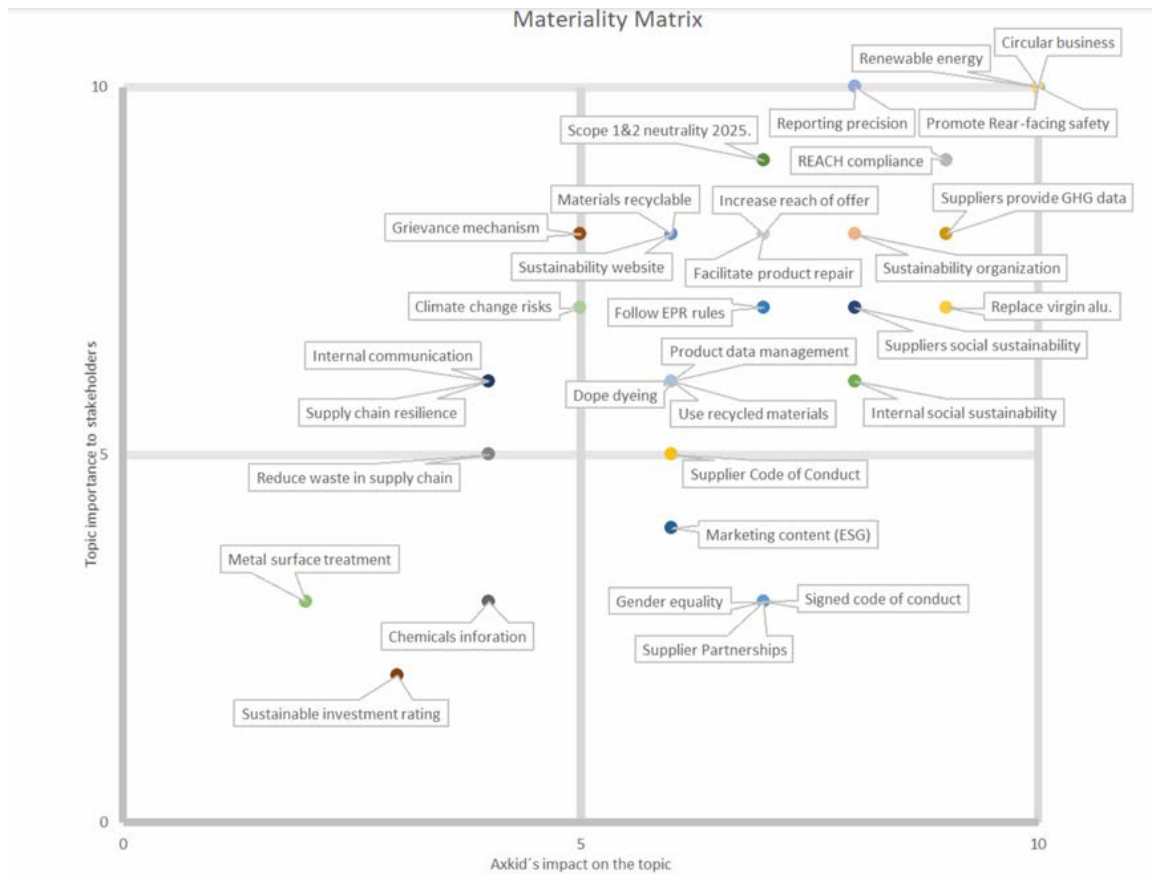


Figure 11

After grouping and organizing the activities based on prioritizing those in the upper right quadrant of Figure 11, five main areas emerged as seen below.

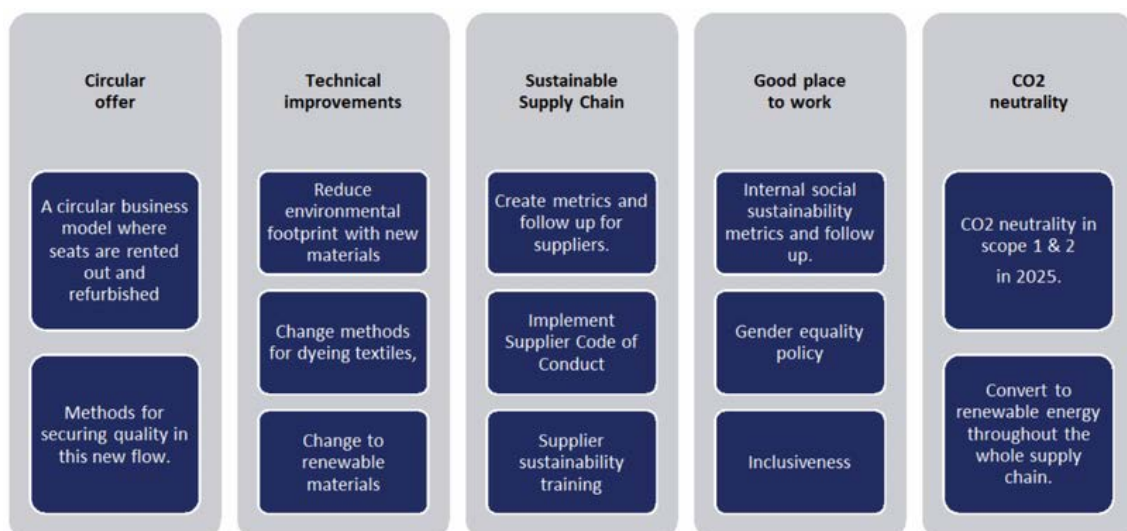


Figure 12

The process of developing these material topics has been done with advice and guidance from sustainability experts and researchers at RISE, Research Institutes of Sweden

List of material topics

List of material topics 3-2

The main material topics for Axkid has been identified as:

- Circular offer
- Technical Improvements
- Good place to work
- Sustainable supply chain
- CO2 neutrality
- Promote rear facing safety



In our previous reporting period, the material topics were defined as below:

Axkid pursues an active sustainability agenda in three selected areas: Resource-efficient operations, Sustainable products, Personnel culture. Each part in itself has its own timetable and is carried out simultaneously. During the year, investments were made primarily in the areas of sustainable products, through material technology development, and in personnel culture to strengthen the group's position. (As written in 2021 financial report.)

In this report, the topics have been reviewed and updated according to the process above.

Sustainability management

Management of material topics 3-3

To manage the material topics and overall sustainability work, some organizational changes are planned. In the beginning of 2023, when this report was created, a management position with responsibility for sustainability has been implemented. The position is called CSTO, Chief sustainability and Technical Officer, and is a combined role for R&D and sustainability. There is a plan in place to create a sustainability council that will help the CSTO to distribute information to the organization and to implement strategies and policies into the different departments and group companies. This council is planned to be operational in 2023.

Framework

A draft framework has been developed during 2022. This shall be seen as a high-level summary of the sustainability strategy and material topics management at Axxkid. The framework outlines the high-level summary of the strategy, the most important targets, KPI 's and enablers. It is based on our purpose and aligned with the material topics.

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 travelling for as long as possible.			
	PEOPLE	PLANET	PROFIT
AMBITION	<ul style="list-style-type: none"> Supply chain committed to social sustainability. Increase reach of our solutions to a wider audience No deaths or serious injuries in an Axxkid car seat. 	<ul style="list-style-type: none"> Disconnect growth from resource use. Circular products 	<ul style="list-style-type: none"> Transform to a circular business model while maintaining growth.
GOAL 2025	<ul style="list-style-type: none"> Fully transparent Supply Chain. 100% signed Code of Conduct and Supplier Code of Conduct 	<ul style="list-style-type: none"> CO2 neutral in scope 1 & 2 Accurate sustainability reporting 20% total CO2 emission reduction* 25% recycled material 	<ul style="list-style-type: none"> 10% turnover from refurbished seats
GOAL 2030	<ul style="list-style-type: none"> All jobs in the supply chain are fair, equal and desirable. Rear facing to 125 cm is the standard in Europe. 	<ul style="list-style-type: none"> 50% total CO2 emission reduction in scope 1, 2 & 3* 100% sustainable energy through the whole supply chain. 	<ul style="list-style-type: none"> 75% turnover from refurbished seats
Enablers	Crash Sensor in all seats, reporting structure set up, Sustainability Web-Site, Supply chain transparency and will to collaborate		
Governance	Sustainability council, ISO9001 global, GRI reporting standard		
Communication	Transparent, Fact based, Precise, Relevant, Standardized (reporting)		
KPI's	Renewable materials, Supplier audits OK, Renewable energy, CO2 emission total, ERF market share		

Sustainability council to lead the work

The sustainability council is planned to be operational during first half of 2023. The council will be led by the CSTO that will report directly to the CEO of Axxkid AB. The CEO and the company board will decide on strategy, KPIs and targets based on recommendations from the CSTO. The council will consist of the CSTO and representatives from each department/group company.

Responsibilities are assigned to individuals in the organization in cooperation with the respective manager. Individuals responsible for parts of the plan report to the sustainability council.

The objective of the council is to deliver according to the sustainability strategy.

The council will be responsible for:

- Crisis management and prevention of issues related to the sustainability strategy, according to the crisis management process.
- Formulating detailed plans, based on the sustainability strategy.
- Stakeholder information and engagement.
- Employee engagement in sustainability related topics
- Lead projects related to the sustainability strategy.
- The yearly sustainability report.
- The sustainability budget (new cost center to be setup during 2023)

The CSTO reports the overall progress to the CEO on a monthly basis.

Sustainability council way of working.

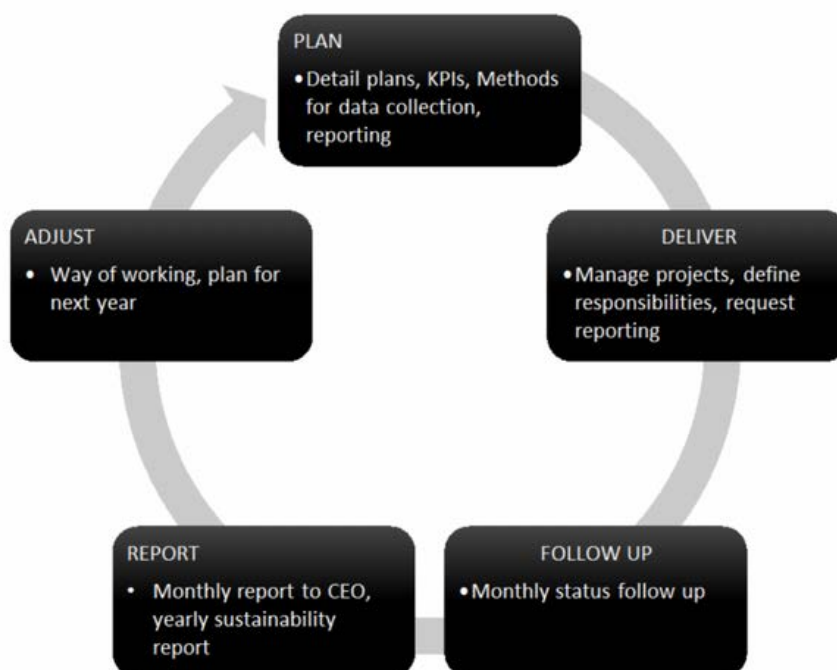


Figure 13

KPI's

To follow up on the effects of our efforts 6 KPI's have been chosen. Each KPI represents the fulfillment of a goal related to the overall strategy.

Initiative	Measurement	Unit	Goal
Circular offer	Turnover from Axkid Care	% of total sales	10% 2025 75% 2030
Technical Improvements	Renewable materials	% weight of total materials that are renewable*	25% 2025 50% 2030
Good place to work	Internal ESG audits	% audit score	75% 2025 95% 2027
Sustainable supply chain	Renewable energy	% of kWh used in production of Axkid parts that come from renewable* sources.	Internal 100% 2025 External 100% 2030
CO2 neutrality	CO2 emission total	% of emissions compared to 2020 baseline	Internal neutral 2025 CO2 reduction 70% 2030 compared to 2020.
Promote rear facing safety	ERF market share	% of all car seats sold in segment that are ERF.	20% 2030

Material topic GRI evaluation

Management of material topics 3-3

See table below for material topic evaluation according to GRI reporting standard, section 3-3.

The main material topics for Axkid has been identified as:

- Circular offer
- Technical Improvements
- Good place to work
- Sustainable supply chain
- CO2 neutrality
- Promote rear facing safety

These are evaluated against the criteria below:

- Actual or potential impact on Economy
- Actual or potential impact on Environment
- Actual or potential impact on People (incl human rights)
- Is Axkid involved in negative impact? How?
- Policies related to the topic.
- Actions taken to manage the topic (prevention, addressing actual impact positive and negative)
- Process used on topic, KPIs, measurement.
- Lessons learned (and integration to processes. policies)

The evaluation is summarized in the 2 tables below

The evaluation is summarized in the 2 tables below

AREA	MATERIAL TOPIC		
	Circular offer	Technical Improvements	Good place to work
Actual or potential impact on Economy	Will contribute to a change in the patterns of product and material flows through the economy promoting more sustainable approaches.	Shifting over to recycled materials and less energy intense methods of production will help to speed up the transition to more sustainable approaches.	Better working conditions will increase productivity and reduce absence due to work related injuries resulting in better efficiency from an economic perspective.
Actual or potential impact on Environment	Potential to reduce the need of producing new products and instead refurbish existing products. This will directly impact the environmental footprint.	Potential to reduce energy use and use of virgin resources.	No direct effects.
Actual or potential impact on People (Incl human rights)	To make refurbishment we will need to hire people near to the markets we serve, most likely in Sweden, which has a lower risk rating on human rights issues.	When replacing suppliers, new ones will be evaluated on "people" impact. This will increase the transparency in our supply chain and enable overall improvement on human rights fulfillment.	The purpose of this initiative is to secure that Axkid lives up to high set standards for our internal working environment including human rights.
Is Axkid involved in negative impact? How?	None	The products that we produce cause CO2 emissions today. The purpose of this initiative is to lower these.	None reported.
Policies related to the topic	There are no policies developed for this topic yet.	The guidance documents for this topic consists of Technical Regulations that state requirements for technical properties as well as sustainability criteria. See Appendix 2: TR0003376 – Sustainability requirements	Axkid Work Environment Handbook
describe actions taken to manage the topic (prevention, addressing actual impact positive and negative)	Set up Axkid Care, a rental offer on all products. Available in Sweden at the moment.	Implementation of updated technical regulations. All referencing TR0003376.	People and Culture initiative. Speak-Up whistleblower function.
Process used on topic, KPIs, measurement	Business development in progress, no defined process. KPI: Turnover from Axkid Care in % of total sales	Product development process. KPI: Renewable materials, % weight of total materials that are renewable	No process in place yet. KPI: Internal ESG audits, % audit score
Lessons learned (and integration to processes, policies)	As work is just started, no lessons are implemented yet.		

Criteria	MATERIAL TOPIC		
	Sustainable supply chain	CO2 neutrality	Promote rear facing safety
Actual or potential impact on Economy	A sustainable supply chain will be more resilient to climate change and disruptions and changes in legislation. This will have a stabilizing effect on the economy within Axkid.	May lead to increased costs for some products and services.	This is our main activity. Promoting rear facing safety has a direct effect on our sales as well as saving lives. We consider this to be a shared value, combining company's success and social progress.
Actual or potential impact on Environment	We will push our supply chain to transfer to renewable energy as well as requiring social sustainability audits.	Continuously reduced CO2 emissions.	No direct environmental impact.
Actual or potential impact on People (incl human rights)	Third party audits or self assessment s of ESG topics will lead to increased transparency and give Axkid the ability to help suppliers improve and to select suppliers with good metrics.	No direct impact.	This is our main activity. Promoting rear facing safety has a direct effect on our sales as well as saving lives. We consider this to be a shared value, combining company's success and social progress.
Is Axkid involved in negative impact? How?	Today our supply chain consists mainly of partners that we have long standing relationships with. However, the transparency and data collection on ESG topics can be improved.	Our internal operations cause CO2 emissions today. The purpose of this initiative is to lower these.	None.
Policies related to the topic	AKXID-PU-P-001 Purchasing and Supplier Management Control Procedures.	Axkid Environmental policy.	No specific policy. This is the purpose of why we exist as a company. It is integrated into everything we do, everyday.
Actions taken to manage the topic (prevention, addressing actual impact positive and negative)	Work is ongoing. No specific actions taken during 2022.	Policy implemented.	This is the purpose of why we exist as a company. It is integrated into everything we do, everyday.
Process used on topic, KPIs, measurement	AKXID-PU-P-001 Purchasing and Supplier Management Control Procedures. KPI: Renewable energy, % of kWh used in production of Axkid parts that come from renewable* sources.	Axkid Environmental policy. CO2 emission total, % of emissions compared to 2020 baseline. Measured in Worldfavor reporting system.	KPI: ERF market share, % of all car seats sold in segment that are ERF.
Lessons learned (and integration to processes, policies)	As work is just started, no lessons are implemented yet.		Goal for 2023 to implement learnings and document our approach in a systematic way.

Stakeholder engagement

Describe how engagement with stakeholders has informed the actions taken (3-3-d)
And how it has informed whether the actions have been effective (3-3-e)

The major input from stakeholders comes from two sources:

1. The majority owner of Axxkid, SEB private equity that places requirement on Axxkid to report on sustainability.
2. In our collaboration with Volvo Car Corporation, Axxkid has been evaluated from technical, quality and sustainability perspectives,

These two sources of stakeholder input have resulted in the training and implementation of the CSTO role, the work of creating a sustainability strategy, and numerous changes in Axxkids way of working. These actions have been effective in terms of successful factory assessments, the publication of this report and increased precision in our reporting in SEB systems.



ENVIRONMENTAL IMPACT

The environmental impact data is collected from all parts of the Axxid group and reported in SEB system, Worldfavor. The data below is extracted from the Worldfavor system. Some limitations to the scope of reporting have been added.

Scope

The focus of our reporting is on Scope 1 and 2. We do not yet have the transparency in our supply chain to cover reporting for sub-suppliers to Axxid. We do not produce any part in our factory, we only assemble parts that are produced by external sub-suppliers. Thus, the scope is limited

Greenhouse gas emissions

Direct (Scope 1) GHG emissions 305-1

Energy indirect (Scope 2) GHG emissions 305-2

Other indirect (Scope 3) GHG emissions 305-3

GHG emissions 305-5

Our GHG measurements and reporting is restricted to the factors that we have the capacity to report during 2022. This is scope 1 and 2 and also some parts of scope 3 measurements. We believe that there is a considerable contribution from the production of parts to our products, but these are not included in the scope of reporting for 2022. We have plans to include this for 2023 by estimations based on materials used (seen in chapter Material) and in the coming years get more accurate reporting from our supply chain.

Total emissions reported.

For 2022 our total reported CO₂ equivalent emissions are 66,44 tCO₂e. The increase from previous year is considerable, this is explained by:

- That we are now reporting the whole group and not only the Swedish site as previous year
- Changes in travel restrictions. 2021 is an exception in terms of travel due to the pandemic.
- Increased precision in reporting.

The scope of reporting is based on mainly scope 1 and 2. Scope 3 is only covered in terms of purchased material to the offices and business travel. Emissions from production of our products is not included at this point. An estimation of emissions from shipping is approximately 90 tCO₂e. These numbers are unverified and shall be seen as an indication.



Energy consumption.

Energy consumption within the organization 302-1

Reduction of energy consumption 302-4

The energy consumption has increased compared to 2021, this is due to that we have included the whole group in the reporting for 2022. The share of renewable energy has decreased due to that the China Site is now included in the reporting, and we have yet to implement measures for renewable energy in the factory. The total energy consumption for 2022 is: 60000 kWh, of which 35000 kWh are renewable energy.

7.1 Electricity: Emissions (tCO2e/kWh) (market-based) (Scope 2) tCO2e

2022

4,6 tCO2e

Total energy consumption and production (kWh)

kilowattimme



1.3 Share of renewable energy

%



Purchased material (Scope 3)

The data reported for purchased material consists of office materials for all our sites.

9.1 Office material: Total Emissions (Scope 3)

tCO₂e



Shipping

We also collect data for shipping which is considered a purchased service. The total emissions from shipping or seats from China to Europe by boat is estimated to generate 75 tons of CO₂ equivalents. We also use air shipping which is estimated to produce 6,3 tons from one service provider and approximately the same from another supplier. In total this generates a CO₂ emission of around 90 tons, this figure is however not verified and based on assumptions and generalizations and therefore should be seen as an indication rather than an exact value. Excluded from this calculation is data from the local transports (warehouse to customer/ consumer)

Company cars

We use company cars mainly in Sweden. There is a considerable increase in emissions from company cars during 2022. Total emissions from company cars: 12,1 tCO₂e.

5.5 Company cars: Total Emissions (Scope 1)

tCO₂e



Business travel (Scope 3)

As seen in the graphs below, our business travel has increased considerably. This is due to that we have included the whole group in the reporting for 2022 and also there is a clear effect of the pandemic restrictions in 2021, which stopped most travel both in and between Europe and Asia. Interns and short-term consultants are not included in the reporting of business travel. They report in their own organization. Consultants on key positions are included in the reporting. Total emissions from business travel: 27,15 tCO₂e of which long haul flights account for 20,8 tCO₂e.

10.1 Hotel nights: Emissions (Scope 3)

tCO₂e



10.2 Train travel (p.km): Emissions (Scope 3)

tCO₂e



10.3 Long-haul flights (p.km): Emissions (Scope 3)

tCO₂e



10.4 Short-haul flights (p.km): Emissions (Scope 3)

tCO₂e



5.1 Employee-owned cars (km): Emissions (Scope 3)

tCO₂e



5.2 Rental cars (km): Emissions (Scope 3)

tCO₂e



Taxi (km)

kilometer



Method of data collection and reporting

The data for the GHG reporting have 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.

Waste

Waste generation and significant waste-related impacts 306-1

Waste generated 306-3

Waste diverted from disposal 306-4

Waste directed to disposal 306-5

11.1 Waste: Total Emissions (Scope 3)

tCO₂e



Of this waste, 0,5 tons have gone to incinerations and the rest to recycling. 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.

OUR PEOPLE

Introduction

Axkid is the thought leader in the child safety segment. Because we are a knowledge driven company, the people in our organization are our greatest asset. We focus on our employees through the Good Place to Work initiative. So far, what has been done here is connected to the following main activities:

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

People and culture

The People & Culture team is an extended arm of the management team to actively promote the internal culture work and the people in the Axkid organization. This initiative is also one of the strategic enablers of the overall company strategy.

Main responsibilities

- Build team spirit and energy in the team through events, newsletters, etc.
- Ensure establishing and sustaining Axkid Core Values internally.
- Reporting to the Management team.
- Arrange yearly global conference.
- Employee surveys and follow-up
- Whistle blower function and responsible to report deviations to the management team.

The PAC-team consists of minimum 4 people with one person from Sweden, one person from sales companies, and one person from the management team, this person is decided by the management team. The PAC team is chosen by a democratic vote by all Axkid employees.



PEOPLE & CULTURE TEAM - 2022

Employee surveys

The employee survey is divided into three main areas: Attitude & Well-being, Goals & Core Values, Roles & Responsibilities. The survey is sent out twice a year and its content has been changing over the years. This year a decision was made to standardize the survey content according to the main areas described above. Below is a summary of the results from 2022.

Attitude & Well-being

This part of the survey is focusing on the personal experience of the employees and shows the general attitude within the company as well as well-being metrics connected to stress and work-life balance. Four areas are measured: Do you enjoy your work? Do you feel like a valued team member? Do you feel stressed by work? How do you rate your work life balance? The conclusions are that our employees generally feel good about their job but that we can improve stress and work life balance.

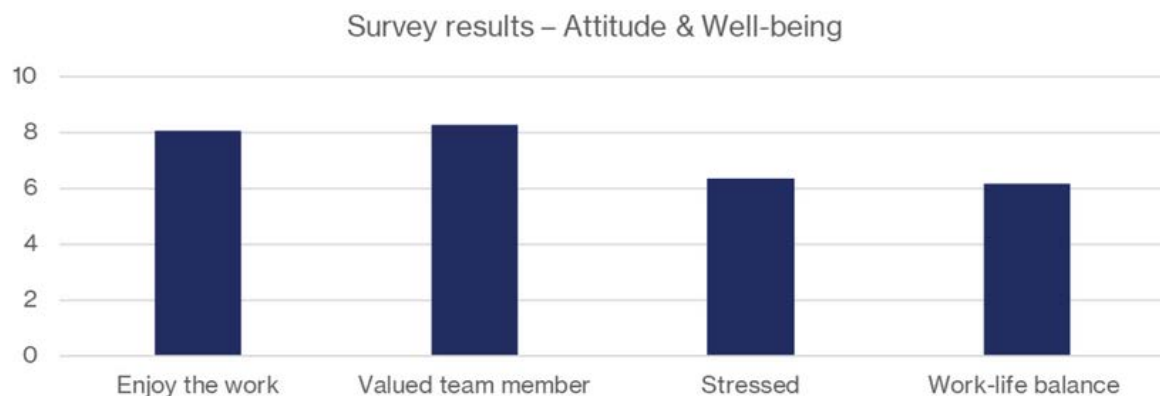


Figure 14

Goals & Core Values

This section measures how our employees relate to our core values: Knowledge, Innovation and Dedication as well as Our focus areas for 2022: Digitalization, Sustainability and People And Culture. We have been working continuously with these areas through a number of workshops. The conclusion is that our employees generally give a high score on our core values but that especially sustainability needs higher focus in the organization.



Figure 15

Roles & Responsibilities

The last section covers organizational aspects. For a small but fast-growing organization we see that it is a key factor to monitor. Roles are added and changed continuously to adapt to new ways of working as the organization grows. Conclusions are that internal communication, as especially making the right information available for the right person at the right time is a challenge we need to work on, and this has been highlighted as a focus area for 2023.

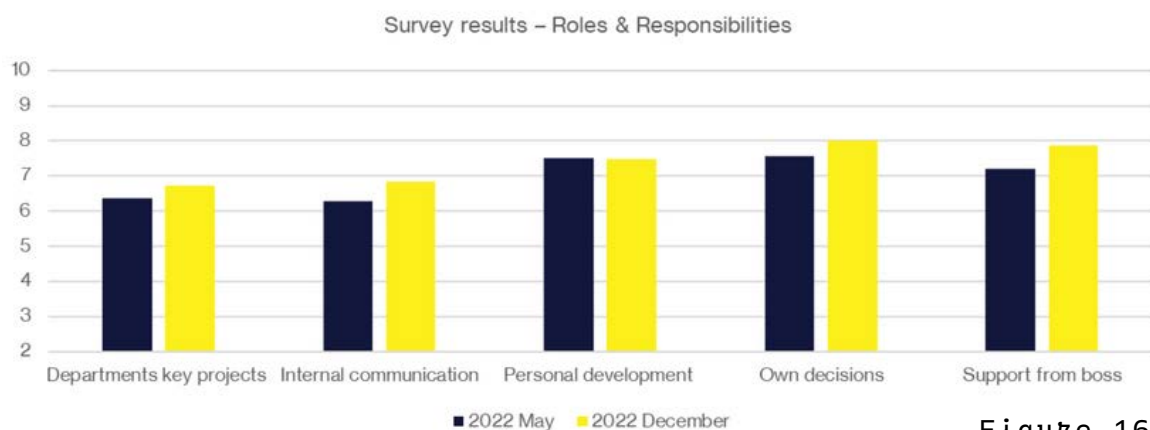


Figure 16

Summary

Our main strengths are pride in working for the company, the feeling of being a valued team member and association with the core values. Our main challenges moving forward are stress and work life balance, that sustainability needs higher focus in the organization and that internal communication efficiency needs to be a focus area for 2023. Moving forward the PAC team plays an important role in supporting management team on improving inclusiveness and how we can improve our challenges and keep our strengths.

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 UK and 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 Axxkid lives up to requirements and also to get an impartial statement on the level of compliance. As a first step our China site has been audited by NQC with a score above its peers. More info 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.

Internships

Part of Axxkids work for a diverse workplace is to offer internships. This is mainly done at the head office in Sweden. We act as mentors for engineering thesis projects and workplace training for students within mainly marketing who gain valuable work experience which makes them attractive on the marketplace. We normally have between 1 and 5 interns/thesis project students over a year.

Code of conduct

Details on the Axxkid Code of conduct can be found in chapter Policies

Training sessions are held on a yearly basis with different focus areas. In 2022 the focus was put on whistle blowing and harassment. Some key points that were discussed:

- Abuse, harassment, and discrimination is prohibited in all forms. Remember, this is defined by the victim's experience of the situation, not by the perpetrator!
- When in doubt. There might be occasions when you are unsure about a situation and if it is according to the core of conduct. You can get some understanding by asking yourselves these questions:

- Is it following the rules?
- Is it ethical?
- Is it legal?
- Is it reflecting my or Axxkids reputation well?
- Would I like to read about this in the media?
- Would my family and friends like this?
- If you still find the decision hard to make,

contact your nearest manager or make a report through the Speak-Up portal.



Workforce data

Employees and contractors, 2-7, 2-8, 401-1

Employees

Employees	GROUP TOTAL					
Reported by head count, at end of 2022	18-30		31-50		51-	
	M	F	M	F	M	F
Permanent employees, full time (at end of 2022)	2	3	16	9	0	0
Permanent employees, part time (at end of 2022)	0	0	0	0	0	0
temporary employees, full time (at end of 2022)	0	0	0	0	0	0
temporary employees, part time (at end of 2022)	0	0	0	0	0	0
non-guaranteed hours employees (at end of 2022)	0	1	0	0	0	0
Total number of FTEs at start of 2022	32					
Total number of FTEs at end of 2022	31					
Ended employments during 2022	7					
Average number of employees during 2022	31,5					
Employee turnover rate (%)	22%					

Global gender and age distribution						
Reported by head count, at end of 2022	18-30		31-50		51-	
	M	F	M	F	M	F
<u>Axxid GmbH</u>			1	1		
<u>Axxid China</u>			7	2	1	
<u>Axxid AB</u>	2	3	6	3	1	
<u>Axxid France</u>				1	1	
<u>Axxid UK</u>			2	2		

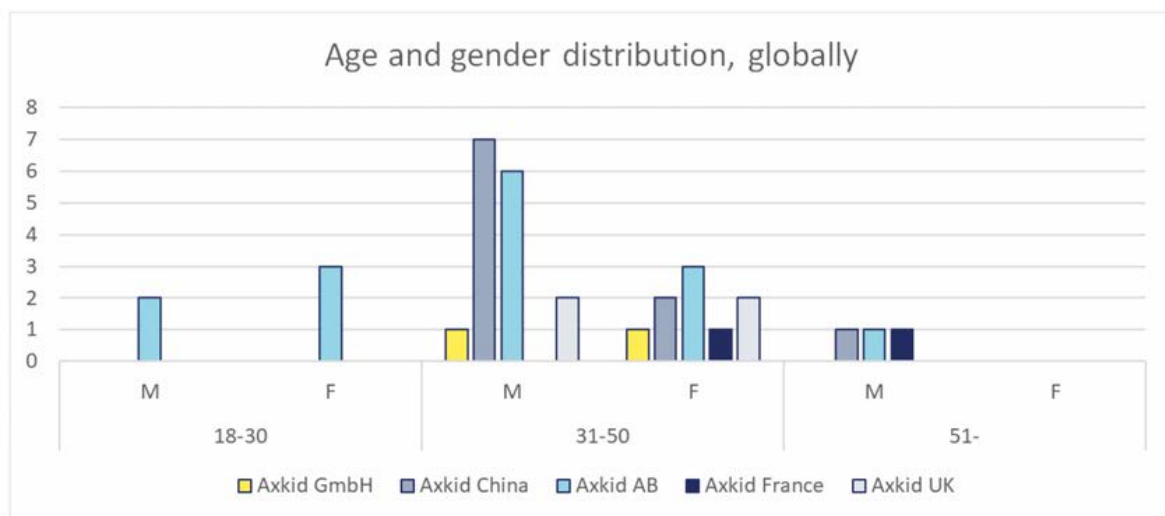


Figure 17

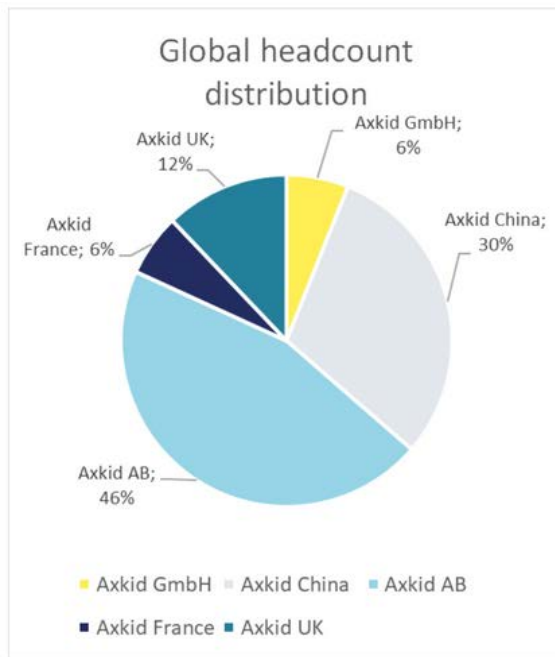


Figure 18

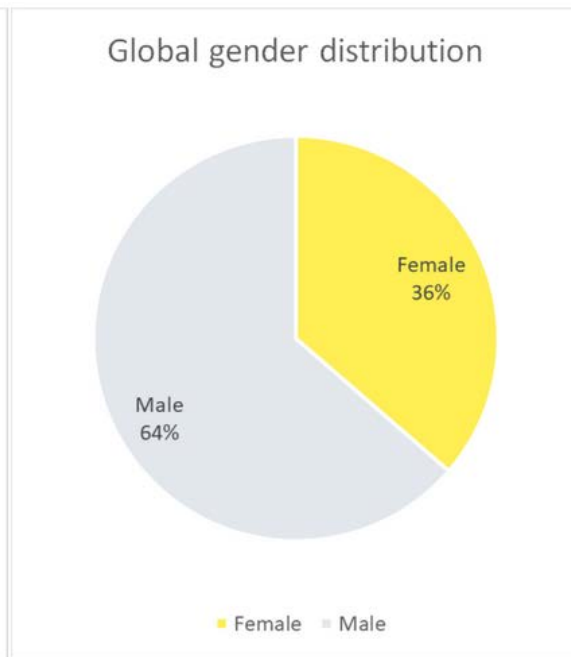


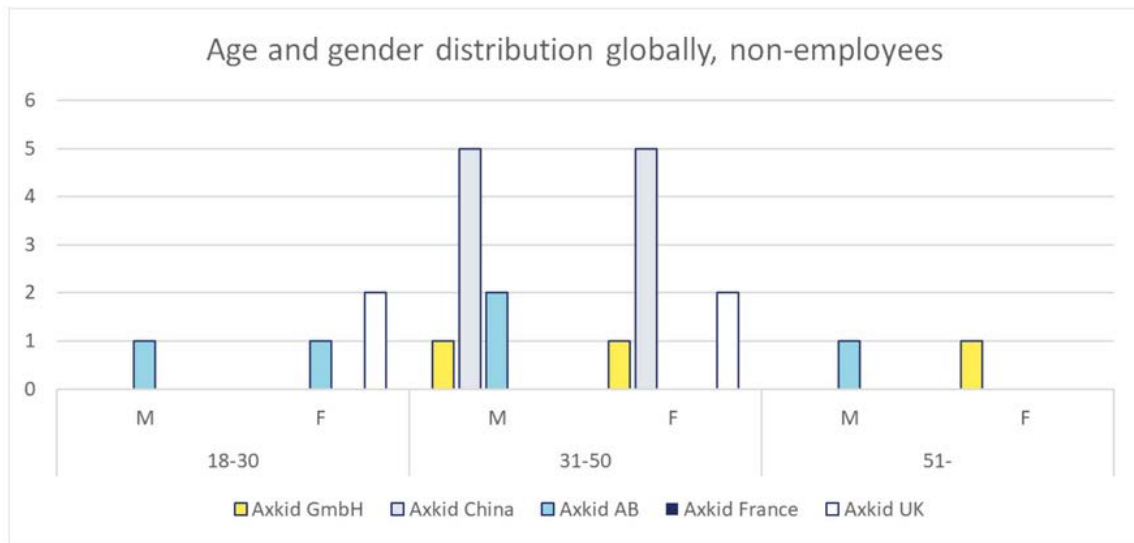
Figure 19

Non-employees

Workers who are not employees 2-8

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 which is good for our small team. Below you can see the details of our non-employed work force.

Workers who are not employees	TOTAL					
Reported by head count, at end of 2022	18-30		31-50		51-	
	M	F	M	F	M	F
Workers who are not employees	1	3	8	8	1	1
Number of non-employed workers, at end of 2022	22					
The most common types of workers and their contractual relationship with the organization, the type of work they perform	Sales, admin, operations, after sales, Product assembly, Engineering, marketing					
Contextual information. - Primary type of work - Types of employment (consultants, employees, temporary staff)	Consultants, Product assembly, Temporary staff, Consultants on long term contracts					
significant fluctuations in the number of employees during the reporting period and between reporting periods	-					



Global gender and age distribution, non-employees						
	18-30		31-50		51-	
	M	F	M	F	M	F
Axxkid GmbH			1	1		1
Axxkid China			5	5		
Axxkid AB	1	1	2		1	
Axxkid France						
Axxkid UK		2		2		

How data is collected:

Data is collected by survey of the site/company managers.

Diversity and inclusion

Information has always been a big topic among the employees of Axxkid, going from a small start-up, where everyone knows everything, to a global SME with specialized 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 the last years has been to create a feeling that Axxkid 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 minimize 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 (Introduce a Girl to Engineering Day) which takes place every year in March. On this day, engineering companies and tech organizations 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.

Because of the relatively small scale of Axxkid 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 on 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 shall be inclusive for everyone, using English as far as possible.

Gender pay gap.

Ratio of basic salary and remuneration of women to men 405-2

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. To make the best possible estimations we discard the China company (for reasons above and also a difference in general salary level that makes figures non-comparable) and put all European employees into one group, dividing into male and female. We also discard the highest paid positions, such as CEA and Vice President. The salary levels of men/women are not taken as an average but as a median, which we believe gives more honest values.

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. The pay gap is 2,6 % for 2022. The data is collected by survey to the managers on the companies in the group. Calculation is based on Net pay + Income tax.



Figure 20

Occupational health and safety

Occupational health and safety management system	403-1
Hazard identification, risk assessment, incident investigation	403-2
Occupational health services	403-3
Worker training on occupational health and safety	403-5
Work-related injuries	403-9
Work-related ill health	403-10

H&S is addressed differently in the different companies of the group due to different legal requirements, organization size, risk environment, organizational maturity. In this disclosure only Axxkid sites in China and Sweden are included as the sales companies do not have offices and are only 2-4 employees and do not have any high-risk activities.

Work-related ill health	Axxkid China		Axxkid AB	
The number of fatalities as a result of work-related injury	Employees	0	Employees	0
	Non-employees	0	Non-employees	0
The number of high-consequence work-related injuries (excluding fatalities)	Employees	0	Employees	0
	Non-employees	0	Non-employees	0
The number of recordable work-related injuries	Employees	0	Employees	0
	Non-employees	0	Non-employees	0
The main types of work-related injury	Employees	0	Employees	0
	Non-employees	0	Non-employees	0
The number of hours worked (total in company during 2022)	Employees	21000	Employees	30240
	Non-employees	21200	Non-employees	10080
High-consequence risks or hazards: which hazards have caused injuries	NA		NA	
High-consequence risks or hazards: actions taken to eliminate these hazards	NA		NA	
If any workers have been excluded from this disclosure and why	No		No	
Contextual information such as standards, methods, and assumptions.	NA		NA	
Health & Safety Management system	Axxkid China		Axxkid AB	
System description	ISO9001		Internally developed system based on industry standards	
what laws have forced us to implement the system.	Labor Law of the PRC		Labor laws of Sweden.	
scope of workers, activities, and workplaces covered by the system,	All employees and temporary workers		All employees and consultants	
Hazard identification, risk assessment, incident investigation	Axxkid China		Axxkid AB	
how the organization ensures the quality of these processes, including the competency of persons who carry them out;	Infrastructure and Work Environment Control Procedures		See Axxkid Work Environment Handbook §02 Work Environment Policy	
Continuous improvement of system	Data analysis and improvement control procedure		A meeting between the work environment representative and the CEO takes place once a quarter to ensure that they go on a safety round and go through risk assessments (See §07:01 in appendix) investigate incidents (See §08 in appendix)	
How workers report hazards and protection against reprisals	Report to Direct Manager/Site GM		See §08:1 Form for reporting incidents or accidents in appendix	

How workers can refuse to work in hazardous situations and protection against reprisals.	Refuse directly and report to Direct Manager/Site GM	See §05 "Knowledge and competence in work environment management" This ensures that all managers at Axkid AB have the right knowledge and can set job descriptions based on risk assessment. This means that the employee has the right to deny tasks that are outside the agreed job description.
How work-related incidents are investigated.	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 minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	Work health and safety management Program	A meeting between the work environment representative and the CEO takes place once a quarter to ensure that they go on a safety round and go through risk assessments and investigate the work environment (see §06) (See §07:01 in appendix) investigate incidents (See §08 in 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.	Human Resource Control Program & Work health and safety management Program	The safety representative has the task of ensuring that everyone at the company undergoes first aid training once every three years. Managers and supervisors should also have knowledge and understanding of risks that exist at work and of working conditions that promote a good working environment. (see §05)
Work-related injuries: A description of the organization'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.	Work health and safety management program	See §08 Report and investigate incidents and accidents. All incidents and accidents that occur in the business must be investigated. When something has happened, form §09.1 Reporting and investigation of incidents and accidents must be filled in. The person who has happened to the incident goes to their nearest manager so that together they fill in the form.

VALUE CHAIN

Our third pillar of sustainability, Sustainable Supply Chain, is an initiative with its own goals and plans. We believe it is important that our products are produced under fair and safe conditions. Both from a moral perspective but also because this is important for all our stakeholders. Presently, the control over working conditions at the companies supplying parts to our assembly plant in Taicang is controlled through regular supplier visits and long-lasting relationships with the suppliers. The next step is to make the approach more structured in a way that benefits both Axkid and the supplier. As we are still fairly small in purchasing power, we will have to create benefits for the suppliers in reporting on their sustainability topics and make sure that we do the work as a cooperation. The long-term goal is to have a fully transparent supply chain. Steps have been taken in that direction, but a lot of work is still needed to reach that goal.

Goal 2030:

- All jobs in the supply chain are fair, equal, and desirable.
- Supply chain committed to social and environmental sustainability.
- 100% of power used in production of Axkid parts that come from renewable sources by 2030.

Goal 2025:

- Fully transparent Supply Chain.
- 100% signed Code of Conduct and Supplier Code of Conduct

Strategy:

Step 1: ESG transparency:

- Create metrics and follow up for suppliers through reporting tools and audits.
- Implement Supplier Code of Conduct. As a prerequisite for new business.
- Supplier sustainability training.

Step 2: Evaluate partnerships.

Maintain and build relationships with suppliers whose goals align with the goals of Axxkid.

End relationships with those suppliers whose goals do not align with ours.

Step 3: Phase in new suppliers

Phase in partners that fit us better and are willing to work long term towards our common goals in 2030.

Value chain overview

Activities, value chain and other business relationships 2-6

Sectors in which Axxkid is active.

Axxkid has four main activities.

- Axxkid Care, car seat rental
- Sales of child car seats (main activity)
- Internal manufacturing operations
- Research and development

The activities and their ISIC codes are described in detail in table 1 below.

Area	Description	NACE/ISIC activity	NACE/ISIC code
Axxkid Care, car seat rental	Rent a car seat for a monthly fee for a desired time.	Renting and Leasing of Other Personal and Household Goods	ISIC 7729, Nace 77.29
Sales of child car seats (main activity)	Our main area of activity. From different sales companies and distributors, we buy seats from our assembly plant and sell them to customers around the world	Sale Of Motor Vehicle Parts and Accessories (Specifies Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles, as an activity).	Nace 45.32, ISIC 4530
Internal manufacturing operations	Our assembly plant in China. No part production. All parts for our seats are designed and custom made for Axxkid by external producers. In our assembly plant, our local team consists of sourcing, quality, and assembly staff.	Manufacture Of Parts And Accessories For Motor Vehicles (specifies Manufacture of car seats as an included activity).	Nace 29.32, ISIC 2930
Research and development	Our internal R&D department develops new products and maintains existing products to provide the safest car seats on the market.	Research And Experimental Development on Natural Sciences And Engineering (specifies Research and development on engineering and technology)	Nace 72.19 ISIC 7210

Products

Axkid supplies mainly Child Car seats, accessories related to Child Car seats and spare parts.

There are three main categories of child car seats. See figure 21.

The major products that we supplied during 2022 can be found below.



Figure 21

Axkid Minikid 3

- Maximised & unique range (125cm & Up to 36kg)
- Dynamic headrest technology
- Installation in 60sec
- Automatic lower tether
- Up to 30cm leg space
- Swedish Plustested

Axkid ONE 2

- ONE car seat through childhood
- Best legroom on the market (Sliding seat technology)
- Installation in 30sec
- Innovative lightweight design
- Advanced Sleep Well System
- Swedish Plustested

Axkid Minikid 2

- Our best selling car seat until today. A family hero.
- Dynamic headrest technology
- Automatic lower tether
- 5 reclining positions
- Swedish Plustested

Axkid Move

- The affordable yet safe option
- Swedish Plustested
- Spacious yet a compact design
- 2 reclining positions

Axkid Bigkid 2

- Long back length from growing children, up to 150cm
- Headrest adjustable in 9 positions
- Multiple reclining positions
- ISOFIX installation
- Carrying handle
- Belt guide



Axkid Connect

- The safety pad that helps you stay close to your child
- Alerts when:
 - the car temperature needs to be adjusted
 - your child has been seated in the car seat for too long
 - if your child is left alone in the car
- Fits in all different types and brands of car seats,



Services

Axkid Care

Axkid care is described in detail in the chapter: Circular products – Axkid Care

Installation assistance

Axkid offers a unique service for parents looking for advice and help in choosing a car seat. With our video consultation, you can book a free call with one of our specialists, who has competence and experience in the field. During the meeting, you get to talk to an expert who can answer all your questions and explain what to consider when choosing a child car seat.

Our specialists will also give you a recommendation on which car seat is best for your child and your car. They will consider your specific needs and give you a personal consultation.

With Axkids video consultation, you can feel confident in choosing a car seat. You get the opportunity to ask all your questions, get an explanation of all the options, and get a recommendation from an expert. So, book a free video consultation today and get help choosing the right car seat for your child.



Markets served

Markets served through Axxkid owned companies:

Market	Distribution
Denmark	Axxkid AB
Netherlands	Axxkid AB
Norway	Axxkid AB
Sweden	Axxkid AB
Austria	Axxkid GmbH
Germany	Axxkid GmbH
Luxembourg	Axxkid GmbH
Switzerland	Axxkid GmbH
Ireland	Axxkid Ltd
UK	Axxkid Ltd
Belgium	Axxkid SaS
France	Axxkid SaS

Markets served through our network of distributors.

Market	Distribution
Albania	Distributor
Andorra	Distributor
Bosnia and Herzegovina	Distributor
Bulgaria	Distributor
Chile	Distributor
Czech Republic	Distributor
Estonia	Distributor
Finland	Distributor
Greece	Distributor
Iceland	Distributor
Italy	Distributor
Japan	Distributor
Latvia	Distributor
Lithuania	Distributor
Malta	Distributor
New Zealand	Distributor
Poland	Distributor
Portugal	Distributor
Romania	Distributor
South Africa	Distributor
South Korea	Distributor
Spain	Distributor
Thailand	Distributor
United Arab Emirates	Distributor

Supply chain

In Table 9 below, you can find an overview of Axxkids supply chain. We have three main origins of our products, Axxkid in-house designed products that are produced internally or externally, and products designed and produced by external suppliers, these are always design adapted by Axxkid. All our products are produced in China and shipped by container to Europe to Axxkid warehouse or customer warehouse or direct to distributors in other parts of the world.

Product design	Part supply	Assembly	Shipping	Warehouse	Ship to customer
Sweden	Asia	Asia	Asia to Europe	Europe / global	Europe / global
External OEM supplier (Axxkid design-customization)	External suppliers / External purchasing	External assembly plant	Sea freight	Axxkid warehouse	Ship E-Com to consumer
Axxkid design	External suppliers / External purchasing	External assembly plant			Ship to distributor
Axxkid design	External suppliers / Internal purchasing	Internal assembly plant Axxkid Jiangsu		Ship to customer	Ship to retailer

Downstream entities and their activities

Introduction text. The entities downstream from Axxkid in its supply chain are retailers, distributors, and consumers.

- Specialized stores
 - ERF supporters that actively promotes and supports. Examples kindersitzprofis or in car safety center. Axxkid has a strong foundation here due to long term cooperation and expertise.
 - Typical segments: Infant carrier, Stroller, Focus on ERF seats.
- Mass market stores
 - Mass-market non educated stores with high promotion and price focus. Examples are Baby one or Babe Nouf. Axxkid has presence but low sell trough.
 - Typical segments; Booster, Swivel seat
- E-commerce
 - Volume driven and promotion driven activities with main focus on range and assortment. Axxkid has a strong Prescence in more mature markets but always step 2 during market entries.
 - Typical segments; All baby products
- Axxkid Direct to customer
 - Full range offer with high service, reputation, and knowledge. Growth is high in own channels, and we plan to continue for reaching our long-term agenda.
 - Typical segments: Full Range

- Social Sellers
 - Specialized stores online with high presence on social media and forums. Growth is high and cherry picking seats based on knowledge. Growing due to low level knowledge in mass market and low online presence by specialists.
 - Typical segments: Own choices based on relations or safety aspects.
- Specialists and Brands
 - Specialist retailers and OEMs. Axxid has cooperations with an automotive brand, that intend to buy branded Axxid seats.
 - NTF - The National Society for Road Safety, a non governmental organisation which works to improve road safety, where Axxid provides infant carriers for rental service.
 - Insurance companies, etc.

Other relevant business relationships; Influencer marketing

Axxid develops collaborations for promoting the Axxid brand and spreading information and facts regarding rearward facing child car seats. The collaborations are usually unpaid, but the influencers receive a free seat in return for promotion and information activities. Axxid strives for transparency about these partnerships.

Significant changes compared to 2021.

No major changes



MEMBERSHIP ASSOCIATIONS

Membership associations 2-28

Technical associations

- SIS TK242: A working group within the SIS (Swedish Institute for Standardization) which gathers experts and representatives from the industry to deal with issues within "Child Safety in Cars". Handles questions, drives development and information about this in Sweden, and is a subgroup of the international ISO group within child safety in cars, i.e., 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. Works with development of standards in the industry at an international level, as well as collaborates with other groupings within ISO to drive development within Passive Safety for the entire automotive industry. Creates standards that are the basis for the technical aspects of regulations.

Commercial associations

- BDKH - Federal Association of German Children's Equipment Manufacturers
- EK Retail – A German marketing and purchasing cooperative.
- The Swedish Chamber of Commerce
- Lek och Baby branschen – Swedish industry organization for toy and baby goods manufacturers and retailers.



SOURCING AND MATERIAL USE

Local suppliers

Proportion of spending on local suppliers 204-1

The substantial contribution of CO2 emissions and social impact issues come from the manufacturing of Axxkid products. Therefore, we have chosen to focus on the sourcing connected to our products in this disclosure. All production of Axxkid products is located in China. Sub suppliers that are used are located primarily in the same or neighboring province as the assembly plant.

Material used

Materials used by weight or volume 301-1

Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

- non-renewable materials used.
- renewable materials used.

Calculated on main products: Axxkid One 2 and Minikid 3 that account for about 60% of total volume

Material	MINIKID 3 (KG)	ONE 2 (KG)	MK3 Volume 2022	ONE 2 Volume 2022	Total material (tons)
Aluminum	0,000	2,292	5000	10000	22,9
Cardboard	0,843	1,532			19,5
Electronics	0,000	0,007			0,1
Foam	0,340	0,550			7,2
Metal	4,271	5,225			73,6
Plastic	6,346	1,250			44,2
Print	0,200	0,200			3,0
Textile	0,500	0,500			7,5

Recycled materials

Recycled input materials used 301-2

Through our suppliers we have gathered the information below on the main materials we use in our main products. 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.

Material	Rate of recycled material content	Total material (tons)	Recycled weight (tons)
Aluminum	70%	23	16
Cardboard	70%	20	14
Electronics	0%	0,1	0
Foam	0%	7	0
Metal	70%	74	52
Plastic	0%	44	0
Print	70%	3	2
Textile	0%	8	0
TOTAL	47%	179 tons	84 tons

Circular products – Axkid Care

Reclaimed products and their packaging materials 301-3

Axkid Care is our rental offer for child car seats. A customer can rent child car seats according to their needs and wishes with a baby seat as a starter for newborns to a rear-facing car seat that lasts a long time and can be used as your child grows.

Renting a child car seat is as safe as buying a new child car seat as our child car seats undergo solid and strict checks and tests that make them the safest choice for you as a parent. It can also be a cheaper option for parents, especially if they rent a baby seat that is only used for a short time.

The customer places an order for the product they wish to rent on our website. The cost depends on which car seat or baby car seat is rented and payment is made monthly. Delivery usually takes place within 1-4 business days. We want to make it as easy as possible for you and have no notice period or commitment period, which makes us one of the cheaper and more flexible rental options on the market. If you choose to cancel your contract, you only pay for the current month of your contract.

When you rent a car seat - shipping, full insurance, consultation, and collection are included in the price. The insurance includes everything that is covered by the standard product warranty. Should the customer collide with the car seat, Axkid will replace the product during the rental period. When the subscription ends, the customer sends the chair back free of charge in the original box.

Units refurbished: 40 units Approx. 0,1 % of seats sold.

Turnover from rented seats: 150 000 SEK Approx: 0,1 % of total turnover

This is a modest result, but plans are to grow this segment moving forward. A KPI has been developed for this part of the business and a separate cost center has been created to follow the Care business more closely. Turnover from Axxkid Care in percentage of total sales is set to 10% in 2025 and 75% in 2030

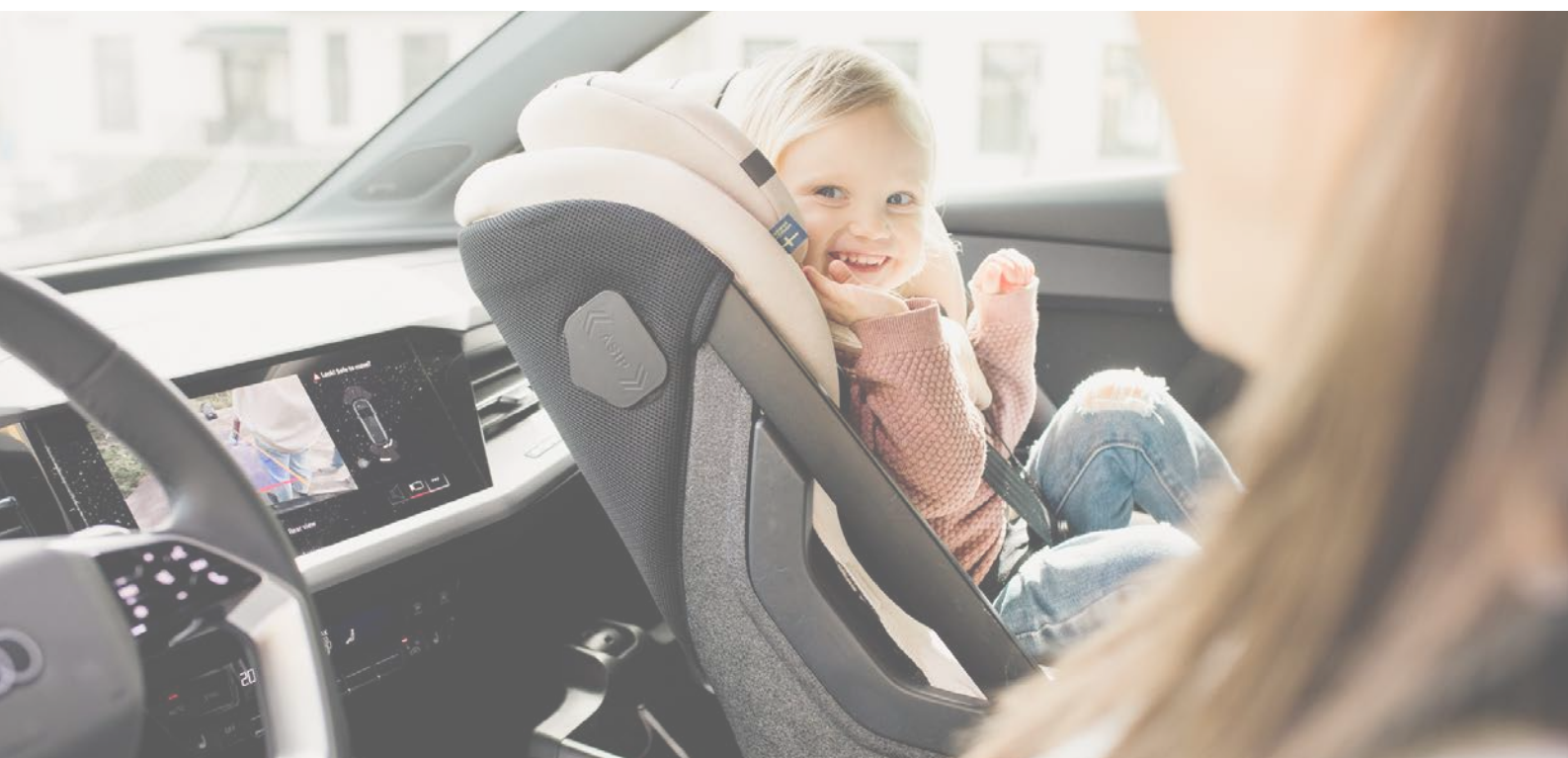
Product labeling

Requirements for product and service information and labeling 417-1

Customers and end users need accessible and adequate information about the positive and negative environmental and social impacts of products and services. This can include information on the safe use of a product or service, the disposal of the product, or the sourcing of its components. Access to this information helps customers to make informed purchasing choices.

The requirements placed on a car seat regarding labeling is the following:

- Instruction labels for how to install the product. All Axxkid product have this.
- Approval label with approval number, showing that the product is approved by the proper authorities. All Axxkid product have this.
- Product disposal is labelled on the packaging, with different markings for different countries and content, as an example, products that contain electronics have a special marking.
- Labeling for sourcing, disposal, and content, is not regulated for car seats other than electronic content.



PRODUCTION SITES

Our products are produced in two main sites. Our fully owned assembly plant in Taicang, China and at a partner plant Outside Ningbo in China. We also buy some products and accessories from other producers, but these are not accounted for here.

Axkid China

Axkid China was started in 2019 in cooperation with a private partner in China. The factory started its production with the Axkid One seat, just before the pandemic outbreak in Europe. Since then, the factory has continuously developed and is Now ISO9001 certified and classified as approved supplier of child car seats to automotive companies. Details on staff can be found in chapter Workforce data.

General info

- Started in 2019.
- Certified ISO 9001.
- 10 permanent employees.
- Assembly line is run by external agency and has been from the start.

Organization details for Axkid China.

Company name	Address	Province	Country
Axkid (Jiangsu) Safety Seat Co. Ltd	Building 3, European-American Industrial Park, Taicang Port Economic & Technological Development Zone, 619 Long Jiang Road, Fuqiao Town, Taicang City, Postal Code 215434	Jiangsu Province	China

Assessments

Assessed by SAQ/NQC with a score of 71%, which is a good score compared to peers.

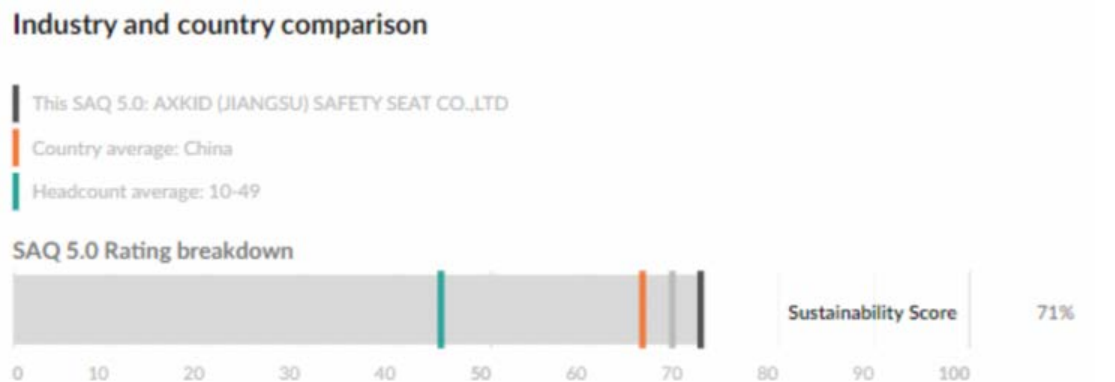


Figure 22

Major areas of improvement based on the assessment are related to having certified management system to manage different aspects of what we do. As Axxkid 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 on a daily basis, it requires great effort and manpower to implement ISO certifications and we have not prioritized this until last year when the ISO9001 quality management system was implemented. We work diligently with all the noted improvement areas.

Quality level.

Quality is followed by a daily yield, or first-time-right metric that shows how many products pass the final inspection on first time without any need of rework. We check our seats for a large number of safety and quality impression characteristics. There was a dip in the yield around the Chinese New Year 2022 because of travel restrictions leading to difficulties for the regular staff to come to the factory.

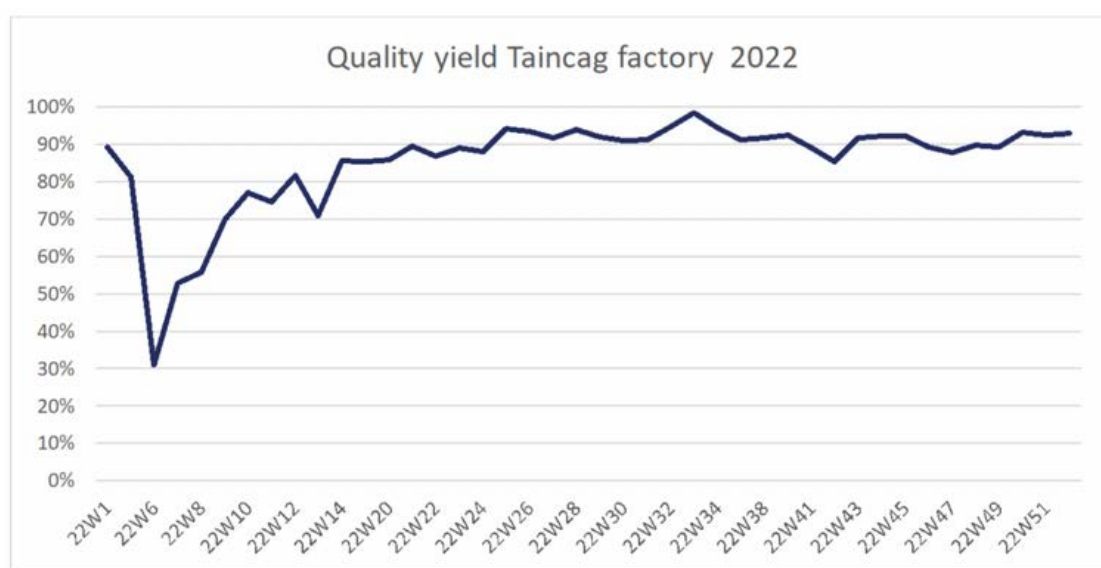


Figure 23

Jingyi

Ninghai Jingyi Plastic Mold Factory Co., Ltd. is a long time cooperation with Axxkid. The team at Jingyi was involved in the first seats produced by Axxkid and are still a valuable and highly rated partner to Axxkid. At this site Jingyi assembles car seats but also produce injection molded parts and blow molded parts for Axxkid and other customers outside of the car seat industry. Axxkid has a close relationship with this company and the people we work with there, many of the staff at Axxkid have visited them continuously many times per year before the pandemic.

Company info

Company name	Address	Province	Country
Ninghai Jingyi Plastic Mold Factory Co., Ltd.	163 Meilin Street Zaopu Village, Ninghai town Ningbo city Postal Code 315600	Zhejiang province	China

Employees Reported by head count, 2022, average	Male	Female
Permanent employees, full time	5	2
Total number of FTEs	7	
Contextual information. - Primary type of work - Types of employment	Management, quality, finance, order. Permanent employees. Age not reported	

Workers who are not employees Reported by head count, at end of 2022	Male	Female
Workers who are not employees	9	10
The most common types of workers and their contractual relationship with the organization, the type of work they perform	Assembly. Permanently employed	
Contextual information. - Primary type of work - Types of employment (consultants, employees, temporary staff)	Employed directly, not through agency Age not reported	

Assessments

Jingyi is assessed by another customer with the following results:



Overall we see that the results are acceptable and after discussions with the factory management, actions are in place to close the deviations.

Part 2 - Non-conformance Summary Table

Criteria	SRG Code ref.	Description	Audited (Yes/No)	Area of Non-Conformance (NC)		No. of NCs			Findings (Brief summary of Critical Non-Conformances only)
				Local law (Yes/No)	SRG RS Code (Yes/No)	Critical	Major	Minor	
2		Business Integrity	Yes	No	No	0	0	0	Nil
3.1		Employment is freely chosen	Yes	No	No	0	0	0	Nil
3.2		Respect freedom of association and the right to collective bargaining	Yes	No	No	0	0	0	Nil
3.3		Not use child labour	Yes	No	No	0	0	0	Nil
3.4		Working conditions are safe, healthy and hygienic	Yes	Yes	Yes	1	0	1	1. No handrails were installed for two ladders used in the injection moulding workshop. Remark: Factory had corrected it before closing meeting. 2. No Fire Safety Certificates for all buildings.
3.5		Pay fair wages	Yes	Yes	Yes	0	1	0	1. According to the document review and management interview, the social insurance paid by the factory did not cover all employees.
3.6		Working hours are not excessive	Yes	Yes	Yes	0	0	1	1. Monthly overtime working did not meet the requirements.
3.7		Treat workers fairly and with respect	Yes	No	No	0	0	0	Nil
3.8		Changing factories and sub-contracting	Yes	No	No	0	0	0	Nil
4.1		Environmental permits	Yes	No	No	0	0	0	Nil
4.2		Environmental management	Yes	No	No	0	0	0	Nil

ORGANIZATIONAL DETAILS

Countries of operation & Company structure 2-1

Company details, Legal name, location of headquarters 2-1

Entities included in the organization's sustainability reporting 2-2

Legal name: Axxid AB

Address: Göteborgsvägen 94, 431 37 Mölndal, Sweden

Organization number: 556791-1887

D-U-N-S Number: 350017330

Vat Number: SE 556791188701

Specification of the parent company's and the group's holdings of shares in group companies

Group company	2020-12-31	2021-12-31
	Share %	Share %
Axxid UK Ltd	100	100
Axxid GmbH	100	100
Axxid SaS	N/A	100
Axxid (Jiangsu) Safety Seat Co., Ltd.	60	100

In 2021, Axxid AB acquired the remaining 40% in Axxid (Jiangsu) Safety Seat Co., Ltd, which is now wholly owned by Axxid AB.

Entities within the Axxid group included in sustainability reporting:

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

These are the same entities that are included in the consolidated financial statement. The same material topics and approaches are used for all companies in the Axxid group. There are no entities within the group that are not disclosed in this report.

Ownership and legal form

Nature of ownership and legal form 2-1

Axkid AB is a Swedish limited company. A limited liability company is a legal entity that can sign contracts, have employees, and own things. A limited company is characterized in Sweden by the fact that the owners have limited responsibility for the company's operations. Comparable to British LTD or Limited (in terms of Limited liability)

Axkid AB prepared consolidated accounts for the first time starting from the financial year 2019, the company's share has been listed on the Spotlight Stock Market since 2014.

During 2022 Axkid AB had the following ownership structure:

Axkid AB is owned to 92% 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 65,5%,
Thomas Bräutigam 8,6%,
Tony Qvist 8,1%,
Erik Emanuelsson 7,6%,
Guoliang Yan 3,9%,
Daniel Johanson 3,6%,
Peter Schön 2,3%
Other executives 0,4%



Finance and Governance

Governance structure and composition 2-9

Diversity of governance bodies and employees 405-1

Financial disclosures can be found in the yearly financial report.

The highest governance body in Axxid is the company board. The board is appointed by the shareholders according to Chapter 8 of the Swedish Companies Act. Those who receive the most votes from the general meeting are appointed to the board (the general meeting consists of those who own shares in the company). The board has the leading role in a limited liability company and, among other things, appoint the chairman and CEO.

The daily business of Axxid is managed by the management team, a group of the senior managers of the respective department of the company such as Operations, R&D, Commercial department (the manager of which is responsible for the sales companies/teams in UK, Germany, France and Sweden)

Board composition:

- Thomas Bräutigam, Chairman
- Erik Emanuelsson
- Peter Schön
- Magnus Ramström, SEB Private Equity
- Maria Bilkenroth, SEB Private Equity
- No representation of worker unions or other groups important to diversity.

Age 18-30		Age 31-50		Age 51-	
Male	Female	Male	Female	Male	Female
0	0	1	1	3	0

1.4 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
- Malin Johansson, CMO, Chief Marketing Officer
- Johan Andersson, CSTO, Chief Sustainability and Technical Officer
- No representation of worker unions or other groups important to diversity.

Age 18-30		Age 31-50		Age 51-	
Male	Female	Male	Female	Male	Female
0	1	5	0	0	0



APPENDIX 1: GRI STANDARD COMPLIANCE

Axkid has reported the information cited in this GRI content index for the period 2022 with reference to the GRI Standards. GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 11, 70 & 71
	2-2 Entities included in the organization's sustainability reporting	Page 70
	2-3 Reporting period, frequency and contact point	Page 6
	2-4 Restatements of information	
	2-5 External assurance	
	2-6 Activities, value chain and other business relationships	Page 57
	2-7 Employees	Page 50
	2-8 Workers who are not employees	Page 51
	2-9 Governance structure and composition	Page 72
	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	Page 20
	2-23 Policy commitments	Page 21
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	Page 25
	2-27 Compliance with laws and regulations	
	2-28 Membership associations	Page 63
	2-29 Approach to stakeholder engagement	
	2-30 Collective bargaining agreements	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 27
	3-2 List of material topics	Page 34
	3-3 Management of material topics	Pages 34, 37 and 40
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	Page 64
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 Behavior 2016	206-1 Legal actions for anti-competitive behavior, 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	Page 64
	301-2 Recycled input materials used	Page 65
	301-3 Reclaimed products and their packaging materials	Page 65
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 42
	302-2 Energy consumption outside of the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	Page 42
	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	
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	Page 42
	305-2 Energy indirect (Scope 2) GHG emissions	Page 42
	305-3 Other indirect (Scope 3) GHG emissions	Pages 41 & 42
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	Pages 41 & 42
	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	Page 45
	306-2 Management of significant waste-related impacts	Page 45
	306-3 Waste generated	Page 45
	306-4 Waste diverted from disposal	Page 45
	306-5 Waste directed to disposal	Page 45

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	Page 50
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 402: Labor/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	Page 54
	403-2 Hazard identification, risk assessment, and incident investigation	Page 54
	403-3 Occupational health services	Page 54
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	Page 54
	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	Page 54
	403-10 Work-related ill health	Page 54
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-2 Programs for upgrading employee skills and transition assistance programs	
	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	Page 72
	405-2 Ratio of basic salary and remuneration of women to men	Page 53
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 Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
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 programs	
	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	Page 12
	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	Page 66
	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	