



eBRANDS

‘Communication on Progress’ Report 2021 / 2022

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress**
in implementing the Ten Principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.

A statement from our CEO

Acquiring small to medium-sized, innovative, Nordic eCommerce brands and finding ways of making them 'better' is what eBrands is all about. Better for the consumer and the planet. We want to be the brand house for products that people love and that means we focus our acquisitions on products that are positioned in categories where they can have the most positive impacts on their consumers lives - including sustainability, wellness, sports, home and lifestyle.

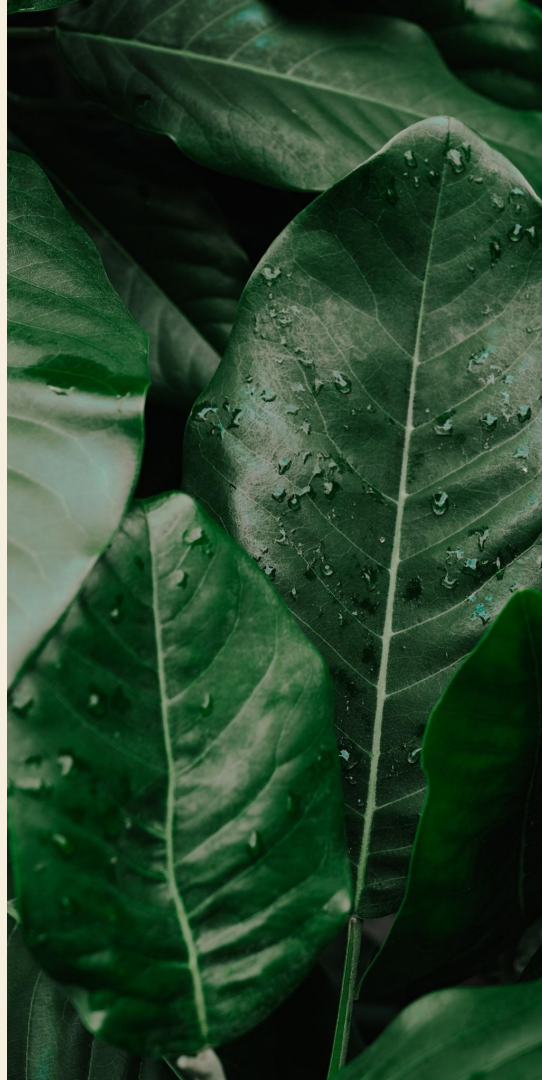
*However, if we want our products to have a net positive impact, we know we can't only focus on making brands better through the typical goals of maximising revenue and minimising costs - so what we want 'better' to mean at eBrands is **'Better for People and the Planet'**. This means that we want every decision we make for a brand to be centred around how we can minimise the negative social and environmental impacts – while maximising their positive impacts.*

Building this goal into the fabric of our business is also the reason that we don't have a 'Head of Sustainability' - we believe that sustainability isn't an add on to the business, it's something that needs to be ingrained into the mindset of every team member's business decisions. We know this is a learning process and that it is also a difficult process, and that's why we aim to hold ourselves to increasingly high standards every year.

*One of the first steps on this path has been joining the **UN Global Compact's (UNGC) Network** and designing our business so that we build the UNGC's **"Ten Principles"** into every decision that we make. In order for us to then be able to improve on these first steps we are also continually building the tools, skills and knowledge that will allow us to move towards minimising the CO2 emissions of every product we sell and building a business and supply chain that can provide real value to our customers, employees and shareholders.*

Small to medium enterprises make up a huge portion of GDP and employment worldwide, yet they are often the most underserved when it comes to finding ways to be 'sustainable', so we know that this work is important not only because it allows eBrands to improve but because we also have the opportunity to help other small to medium-sized enterprises improve themselves, too, by making sure to demonstrate our progress and the paths to this progress as we learn.

ROBIN BADE



OUR BUSINESS

eBrands is a technology-driven consumer brand house. Our ambition is to impact the lives of a billion people through sustainable and purpose driven brands.

Nordic Design with a Global Reach

Our founders know that the Nordics are filled with high-quality consumer brands and products that are designed with innovation and sustainability at their heart. However, many of these brands lack the sales expertise, financial resources and international reach to bring these products to a wider audience.

eBrands aims to change that by bringing a wealth of marketing, sales, branding and supply chain expertise - combined with the development of better analytics and decision making technological tools - to create a consumer brand house in the Nordics that can bring these brands under one roof and give them the abilities they need to reach the global stage.





OUR ACTIONS

FOR A BETTER PLANET

One of our key internal values at eBrands is that ‘action beats talk’. We know we’re a young company and that we have a lot to learn to be able to achieve all of our goals, but every day we’re trying to make the choices that will move us forward to building brands that are **Better for People and the Planet**.

We are not interested in only being another consumer brand house, we’re interested in what we could do to go beyond what the standard brand house business model aims for.

| | | | | | |
|--|---|--|---|---|---|
| GLOBAL ORGANIC TEXTILE STANDARD 'GOTS' CERTIFICATION | REDUCTION OF LENGTH IN OVERALL SUPPLY CHAIN | AMAZON CLIMATE PLEDGE FRIENDLY BRANDS | MEMBER OF UN GLOBAL COMPACT | MAPPING OUR SCOPE 1 & 2 EMISSIONS | FOUNDER'S THOUGHT LEADERSHIP ON SUSTAINABLE ECOMMERCE |
| REMOVAL OF UNNECESSARY PLASTIC LAYERS FROM 3 BRANDS | A BRAND USING 100% SOLAR POWER IN PRODUCTION | HIGH VALUE IN LOCAL MANUFACTURING IN ACQUISITION PROSPECTS | MINIMISING AIR FREIGHT THROUGH DATA DRIVEN PLANNING | ESG PLAYBOOK (INTERNAL) | FOREST STEWARDSHIP COUNCIL 'FSC' CERTIFICATION |
| REMOVAL OF HARMFUL METALS SUCH AS MAGNETS FROM PACKAGING | FULL REDESIGN IN BRAND'S PACKAGING FROM PLASTIC TO CARDBOARD FOR TWO BRANDS | INTERNATIONAL DIVERSITY WITH 15 NATIONALITIES | REDUCTION IN PACKAGING SIZES TO OPTIMIZE FREIGHT CAPACITY | MANUFACTURER CONDITION IMPROVEMENT | TRAINING AND PROVIDING TOOLS FOR SELLERS TO INCREASE SUSTAINABILITY IN OPERATIONS |
| 180° CHANGE IN BRAND STRATEGY - FROM PLASTIC PENS TO BEESWAX CRAYONS | IN-HOUSE TECH SOLUTION TO INCREASE SUPPLY CHAIN EFFICIENCY | DIGITIZING INSERTS SUCH AS SUBSCRIPTION SLIPS AND GUIDES | CREATION OF ESG ROADMAP | LOCAL COMMUNITIES BENEFITING FROM PRODUCTION | REDUCTION IN RETURN RATES |
| NEW PRODUCT DESIGN FOCUSING ON SUSTAINABLE PRODUCTS | FOUR TENNIS COURTS WORTH OF PLASTIC REMOVED FROM A SINGLE BRAND (YEARLY) | 100% REMOTE WORK CULTURE | LIMITING ACQUISITIONS TO ONLY DURABLE PRODUCTS | CREATION OF PROCESS TO COLLECT BROKEN PARTS TO BE USED IN MANUFACTURING | NEVER DESTROYING STOCK. EXCESS INVENTORY SALES NETWORK |

WHAT WE'VE ACHIEVED SO FAR

IMPACT HIGHLIGHTS 2021 / 2022

Diverse, global team built:

- Team built of **15** nationalities in total
- Female COO promoted to founder + **3** new female business unit leaders recruited

Certified supply chain partners acquired:

- FSC Standard for Chain of Custody **x 1**
- Global Organic Textiles Standard **x 2**

Supply chain electricity use:

- Fully solar powered factories added to the supply chain **x 1**

Brand Acquisition

Process Strengthened:

- Our due diligence analysis for environmental and labour practices of any acquired brand's supply chain has been expanded from **5** criteria to **13** in total

Factory audit process augmented:

- Internal factory audits at our new standards have been initiated with **all of our manufacturing partners** and we are sending out teams to carry out on-site inspections.
- Any factories not meeting standards are supported in making changes or removed from our supply chain.

Packaging overhauls for our brand portfolio:

Environmental impact analysis completed for **75%** of our packaging - examples of changes carried out include:

- **2X** plastic bags removed from products that sell **27 000** units annually
- Plastic bubble wrap switched with brown paper on products with units ordered YTD of **11 000** units
- Removal of magnets from products that sell **5 000** units annually

Air freight reductions:

- Ocean freight route sourced and set to replace our main air freight route (which accounts for **52%** of our overall air freight bookings)

WHAT WE'RE PLANNING

IMPACT GOALS FOR 2022 / 2023

Development of ESG data infrastructure

We know that to be able to understand our impact on the environment and society we need to be able to effectively collect and interpret data on how our business affects the areas that it is active in.

As a result, one of our key goals for 2023 is to acquire and build the tools, services and knowledge that will allow us to effectively measure our impact on societies and the environment so that we can make better informed decisions and understand their consequences.

Measure our scope 1 and scope 2 emissions

Our goal is to have mapped our scope 1 and 2 emissions by 2023 and to have set up the process and resources that will makes the annual recording and reporting of these emissions possible.

We also aim to have begun creating the data collection, reporting and analysis processes that will give us the information and tools we need to look at accurately calculating our scope 3 emissions.

75% of 3rd-party suppliers sign Code of Conduct

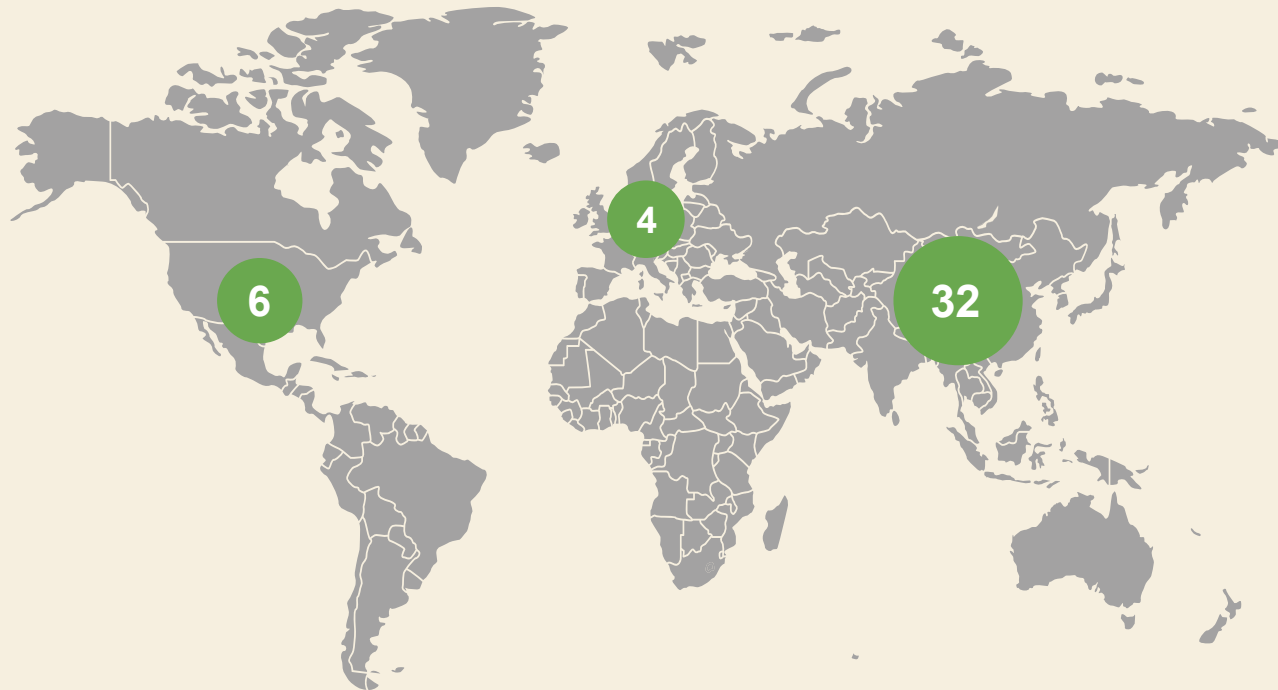
We are committed to developing the processes and procedures that will allow us to hold ourselves and our supply chain partners accountable for our actions and as a result we aim to have 3 / 4 of our supply chain partners signed up to a code of conduct based on the SEDEX and UN Global Compact principles by the end of 2023.

KNOWING OUR PRODUCTS, AND WHERE THEY COME FROM

OUR SUPPLY CHAIN

eBrands' products are sourced from across the world. The majority of our current manufacturing partners are based in Asia but we are steadily diversifying into other regions so that we can create a sustainable and efficient end-to-end supply chain for our production and logistics operations.

Our supply chain is continually evolving as the business expands and as a result we are constantly mapping out our network so that we know what effect our decisions will have on local environments and communities, as well as our overall emissions levels.



**Data is based on the number of manufacturing partners in each region*

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Our goal is to build a consumer brand house that puts being ‘Better for People and the Planet’ in the core of its business model, not just as an afterthought

Erika Ottela

Co-Founder and Chief Officer of Operations

THE UNITED NATIONS'

SUSTAINABLE DEVELOPMENT GOALS

"In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all — laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of "Agenda 2030" are the 17 Sustainable Development Goals (SDGs) which clearly define the world we want — applying to all nations and leaving no one behind."

- *UN Global Compact website*

eBrands strongly believes in the 17 SDGs and based on our business model, we aim to contribute to the successful achievement of the following goals...

GOAL 01: NO POVERTY

As our global supply chain means that we do business in countries where poverty levels are high, eBrands can and actively does aim to influence our supply chain on wages, welfare, and economic security. We do this directly through our discussions with suppliers and requests for certified documentation on wages, training, and fair labour practices.

We also aim to indirectly contribute to this goal by aiming to source manufacturers and small businesses that support gender and ethnic diversity and equality.



THE UNITED NATIONS'

SUSTAINABLE DEVELOPMENT GOALS

GOAL 08: DECENT WORK AND ECONOMIC GROWTH

Having a global supply chain means that as with GOAL 1, we have the opportunity to have a global impact through our procurement decisions. We aim to develop long-term, stable economic relationships based on transparency and fair practices that can support business growth and local employment.

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

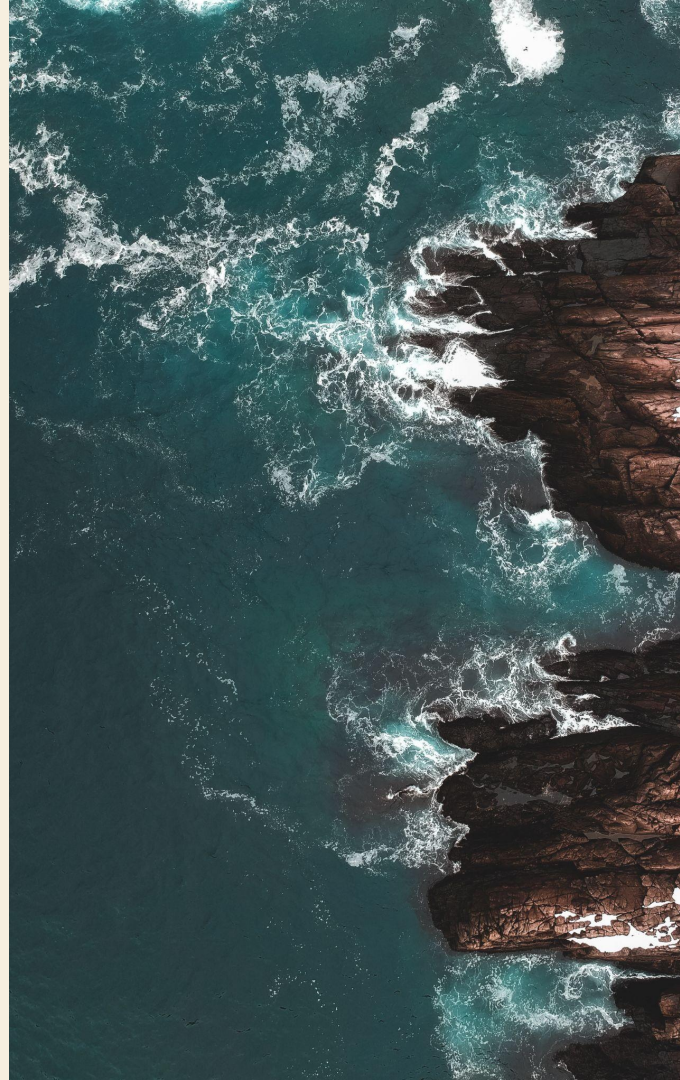
As a consumer goods company we aim to acquire and develop goods that are made to last and we actively avoid acquiring or developing single-use plastic products.

GOAL 13: CLIMATE ACTION

We are committed to continually improving our ability to measure our direct and indirect CO2 emissions - and then finding solutions towards minimising them. We are also committed to sharing our learnings with small to medium eCommerce businesses to support them in doing the same.

GOAL 15: LIFE ON LAND

Because eBrands choice of material sourcing can directly impact efforts of protecting the environment, restoring nature and supporting local communities.



The UN GLOBAL COMPACT'S

TEN PRINCIPLES

In 2021, eBrands became a member of the UN Global Compact. This means that we are committed to a set of universal principles in the areas of human rights, labour, the environment and anti-corruption.

These 'Ten Principles' are a key part of eBrands' decision making values and we will outline the main ways in which we currently work with these principles in the following slides.

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

eBrands strongly believes in the Universal Declaration of Human Rights and we aim to follow this principle by actively promoting these values in our supply chain so that we can avoid being complicit in human rights violations, spread awareness, and encourage changes within the communities we operate in.

PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.



The UN GLOBAL COMPACT'S

TEN PRINCIPLES

LABOUR

PRINCIPLE 3

Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 5

The effective abolition of child labour.

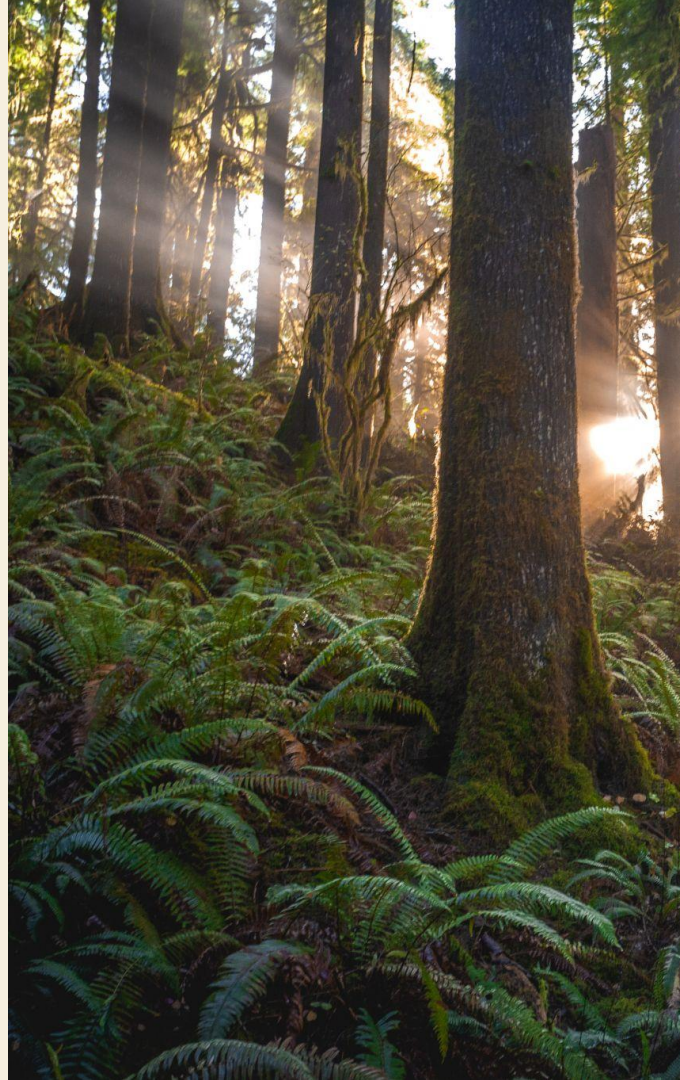
As a fast growing start-up with a diverse and complex global supply chain that stretches from the Americas through to Europe and Asia we encourage our partners to ensure fair labour practices in every region that we operate in. This means not only expressing those values but also requiring certified documentation of wage payments, training, building regulations and safety inspections. It also means engaging with our partners to allow on site audits so that we know the labour principles are being met.

PRINCIPLE 4

The elimination of all forms of forced and compulsory labour.

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.



TEN PRINCIPLES

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies.

The findings of the The UN's Intergovernmental Panel on Climate Change (IPCC) have been clear: climate change is already affecting every inhabited region across the globe and human influence is contributing to this, particularly for 'hot extremes'. At the same time numerous other forms of pollution are having significant negative impacts on the planet, including plastic waste, habitat loss and wildlife decline. That's why mapping and reducing our emissions and waste, both per product sold and per employee is a key eBrands value.

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.



The UN GLOBAL COMPACT'S

TEN PRINCIPLES

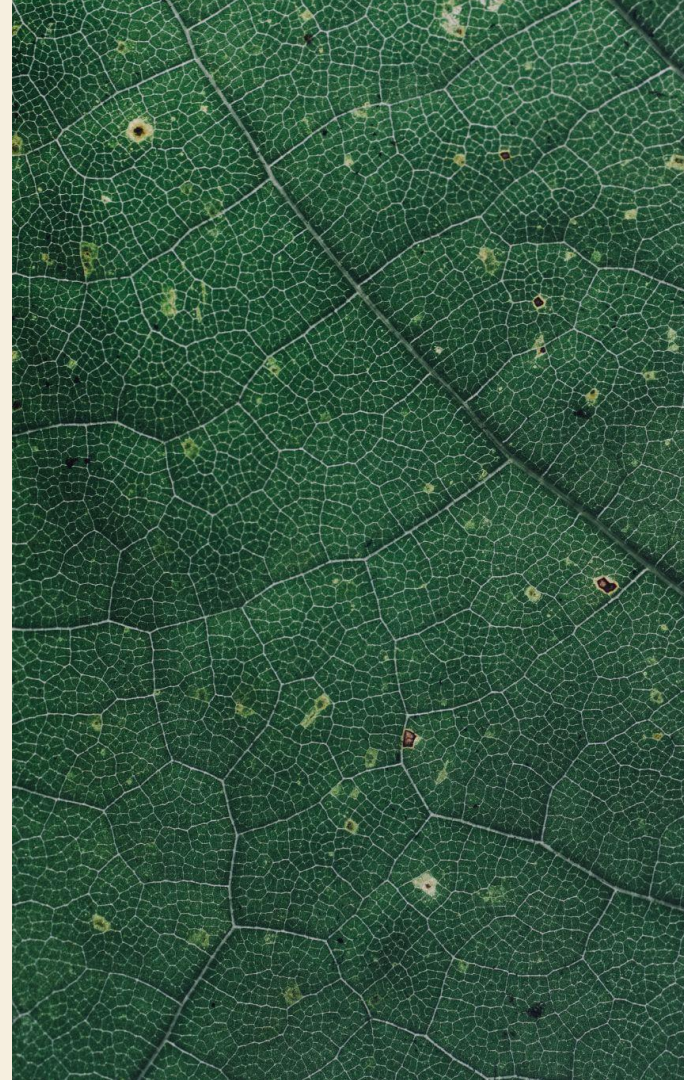
ANTI-CORRUPTION

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Corrupt business practices weaken economic ties and increase the risk of violations of environmental, labour and social practices. eBrands is committed to building a fair, transparent and equitable business and that's why we make anti-corruption practices part of all of our internal business processes, as well as in our business relationships.

We believe in engaging outside consultants and auditors to provide objective overviews, building multi-layered authorisations by senior management into all major decisions, requesting documented proof and agreements of fair business practices and engaging in a zero tolerance policy for violations of fair business practices.

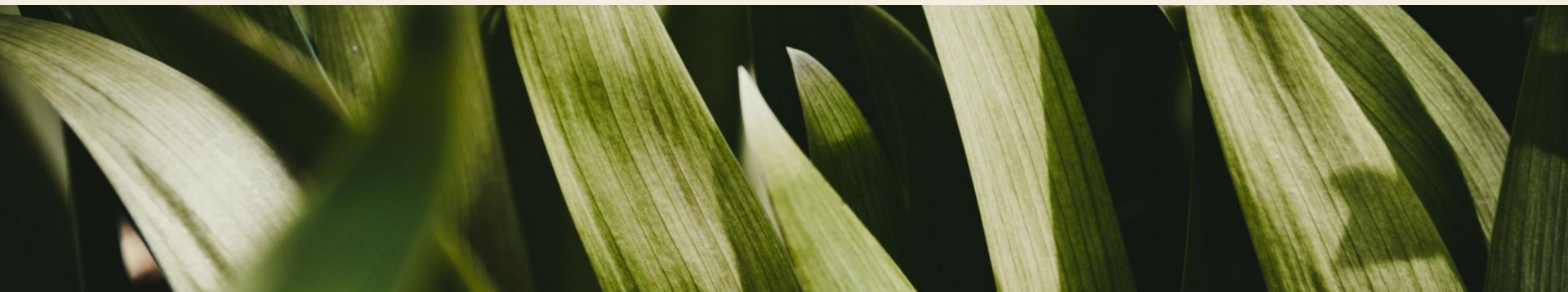


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If we want customers to put their trust in our brands, we have to build brands that are worth trusting

Diana Gyurcso

Business Unit Manager



OUR ZERO TOLERANCE POLICY

eBrands is committed to ensuring that all businesses we work with provide **fair, safe and equitable employment** for all, and any breaches of this will not be tolerated. However, the response to a violation may vary depending on the specific circumstances of the situation. In most cases, if eBrands finds that a supply chain partner is violating the principles of the UN's Global Compact - we will terminate the relationship.

Our ultimate goal, though, is to help improve social and environmental standards at the businesses we work with - and as such, in some cases non-compliant supply chain partners may first be approached and supported in creating a development plan in cooperation with us to raise their practices to the standards of the violated principle(s).



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