artipoppe sustainability report

2021

The house of Artipoppe, established in 2012 by Anna van den Bogert, is a baby carrier and lifestyle brand that revolves around a powerful movement in parenthood. Artipoppe stands with and for parents being able to move freely in the world; to live their lives to the fullest and keep their children by their side. We want to make a parent's life easy, but also challenge them to stay true to themselves. Ignite that spark to follow instincts and embrace imperfections. Artipoppe carriers give the wearer an opportunity to keep their identity, to demonstrate self-confidence and to show the world they care – not only about their baby but also about themselves, the environment and all of us together as a community.

The Artipoppe collection includes Zeitgeist baby carriers, baby wraps and ring slings. Artipoppe's headquarters is based in the Netherlands with 3 production locations in Lithuania. At the end of 2021, Artipoppe products were sold in over 90 countries worldwide.

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TO LISTEN TO YOUR INSTINCTS AND CONNECT WITH MOTHER NATURE

"I believe we live in a highly conventional era when it comes to motherhood, but also that change is near. This is reflected in the way we are connecting to consciousness and Mother Nature. A consciousness that encompasses sustainability, inclusivity, connection and love. Love for nature, love for humanity. Life is slowly moving towards alignment with the flow of the patterns that nature has created for us and started a healing process that is crucial to our survival. I feel motherhood plays an important role in this change, being the start of every human life. Motherhood needs a paradigm shift towards her nature. A nature of instincts, bonding and mindful nourishing.

Artipoppe aims to push the envelope to show the wonderful possibilities of parenthood. First and foremost, Artipoppe is not here to define what motherhood, parenthood, should or shouldn't be. Artipoppe has always been about empowerment and freedom. Freedom to listen to your inner voice and freedom in the way you move through this world. We hope that the Artipoppe brand informs and inspires, to open minds to the possibilities of what our societies, our communities, our lives could ideally be like in the future if we embrace this new vibration into our lives."

Anna van den Bogert, Founder

OUR METHODS



Our Methods

High quality, modern, responsible. From its early beginnings, Artipoppe has been grounded in avant-garde creation and adamantly dedicated to quality and craftsmanship. We will not rest until sustainability isn't just the exception, but the absolute norm. Firstly, we think of the talented and skilled people that we work with. Anna in the Netherlands who is the creative mastermind, and the team in Lithuania crafting the weaving and stitching with the utmost care. All workers involved in the manufacturing process earn fair wages and are treated with respect and dignity. At all times, we aim to avoid overstock. The same goes for overconsumption in general. Therefore, all products have a quality seal that will effortlessly withstand the test of time. Each product is checked and packaged by hand under our own roof in the Netherlands.

Artipoppe products are created for a lifestyle that is full of creativity, love and mindful listening to oneself. The design principles that guide this philosophy are:

- **Parent and child's wellbeing.** A strong bonding experience is at the forefront of our designs, as it is one of the longest-lasting benefits of babywearing. We focus on ergonomic babywearing that is practical for both the baby and wearer. We ensure compliance with the highest safety and health standards.
- **2** Aesthetics and style. We aim to create original designs that can embody a parent's individuality and sense of style. Therefore, we honor art, craftsmanship and uniqueness.
- **3 Timeless quality.** To give our products a long and meaningful life, we use the highest quality materials. These materials are assembled by professionally trained craftspeople.

Integration of Sustainability

At Artipoppe, we have always been uncompromising in the quality of our materials and keeping a short supply chain focused on craftsmanship. As our company matures, we wholeheartedly and continually examine and scrutinize our operations, materials and supply chain to enlighten areas for improvement to decrease our emissions, extend product longevity and usage-purpose and to ensure that we are bringing to life products that are soulful and aligned with nature as much as possible.

To implement our sustainability ambition, responsibilities are integrated in the organization and in our business strategy. A sustainability manager works with each department on improving sustainability across the business. Our founder, Anna van den Bogert, has the overall responsibility for the sustainability strategy. Any inquiries related to sustainability at Artipoppe can be addressed via email at <u>info@artipoppe.com</u>.

Key Areas of Focus

Our ambition is to be a company that does not only preserve the environment, but one that leaves it in a better state than it currently is in. At the core of our policy development, this means focusing on continually examining our operations for how we can be better. The areas that affect Artipoppe's environmental and societal impact the most are our materials and supply chain. Which is why these areas are the foundation of our 2021 Sustainability Report, the second annual Sustainability Report we have published.

Our materials



This section covers what materials are used to create our products and our commitment to reduce their impact on the environment. It also zooms in on important areas: animal welfare, chemical management and wastage.

Our supply chain



This section is an overview of our operations and our commitment to sustainable development.



Partnership with the Jane Goodall Institute

Everyone can make a difference. Jane Goodall is the foremost expert on chimpanzees and a world-renowned environmentalist. The <u>Jane Goodall Institute</u> is a global community conservation organization that advances her vision and work. By protecting chimpanzees and inspiring people to conserve the natural world we all share, we improve the lives of people, animals and the environment. We especially align with her vision that everything is connected – everyone can make a difference. To this end, we have partnered with her and her organization in a product collaboration launching in 2022.

We asked Jane Goodall, what can chimpanzees teach us about parenting? We also partnered with Jane Goodall to join us as a speaker on <u>The Artipoppe Podcast</u>; the episode was launched in November 2021. In the episode she touches on the importance of children bonding with nature and why that is important for the survival of our species, and the importance of hope as we move into the future.

OUR MATERIALS

Material Portfolio Overview

Working with nature instead of against it, that is our philosophy when sourcing materials. When selecting from which suppliers and where to source the materials for our production, we focus on quality, country of origin and partnership potential. Which means that we prefer superior material features over their cost, suppliers from countries that have robust legal systems and long-term relationships with a few key partners. Our process of phasing towards the most sustainable fibers is not only reducing our impact on the environment but also improving our performance in the domains of quality, innovation and design. Always asking ourselves the question: what's best for you, your baby and the planet?

The materials that we procure for our production can be divided into three categories (Table 1): Textile product components, Non-textile product components and Packaging materials.

Table 1: Artipoppe Materials 2021

Category		Materials	Form	Appear in	
	Plant-based	Cotton, organic cotton, hemp, linen	Yarn, fabric	Baby wraps, ring slings, Zeitgeist carriers	
Textile product components*	Animal-derived	Cashmere, Japanese silk, merino, mulberry silk, recycled mulberry silk, vicuña	Yarn	Baby wraps, ring slings, Zeitgeist carriers	
	Mineral-based	Polyester	Fabric	Seasonal water ring sling	
Non-textile product components		Foam, tough plastic, latex, metal, neomydium, polyamide, polyester	Elastic tapes, fastening buckles, labels, magnets, padding foam, rings, snap fastener, thread, webbing tapes	Baby wraps*, ring slings**, Zeitgeist carriers	
Packaging materials		Paper, cardboard	Boxes, cards, booklets	Packaging	

Note: Materials that account for less than 1% of the overall textile product component portfolio in 2021 are colored in grey.

*The only non-textile product components in the product are the polyester thread and label.

**The only non-textile product components in the product are the polyester thread and label, and metal rings.

Materials Procurement in 2021

Our love of nature, soul and uncompromising quality led us to use natural fibers from the very beginning – plant-based or animal-derived – in the fabrics for our products. In 2021, we only used natural fibers in our fabrics, apart from one seasonal item, a water ring sling, which was made of polyester and accounted for less than 1% of textile product components used. The most important fiber by volume in the year 2021 was cotton. Cotton appears in nearly all our baby carriers. The number of carriers made with organic cotton in the fabric blend increased in 2021 and will be further increased as we work towards our commitment of using less than 5% conventional cotton by 2025. Hemp was the second most important fiber due to the popularity of several product models with hemp yarns. Our baby wraps and ring slings are our most natural products as they are biodegradable, apart from the polyester thread used for assembly and the label, and the rings for the ring slings. In 2021 we designed new products with a broader range of sustainable materials such as cruelty-free silk, recycled cashmere, recycled wool and organic cashmere which were introduced in the first quarter of 2022.

Sustainable Materials Benchmarking

Design and procurement decisions are led by the Artipoppe Sustainable Materials Benchmark (Table 2). This is based on a thorough analysis of available research assessing the environmental impact of the materials we work with. We consider materials ranked as 'recommended', 'good' and 'satisfactory' as more sustainable. We will be replacing materials in the category 'discouraged' for more sustainable options. The reasoning behind the unclassified category is that these materials require more investigation to evaluate their environmental impact and sustainability. Most likely these materials are not bad per se, yet we aspire to find alternatives that meet our design and quality standards. The benchmark is continuously updated based on new available materials, scientific research and best practices from the industry. We have historically made use of rare, bespoke fibers, such as pearl fiber and milk fiber. However, we feel that while it would be interesting to include these fibers in our current portfolio, the manufacturing process for these materials is still too chemical, and thus unsustainable. We are in continual pursuit of researching innovative, sustainable and unique materials to add to our collection.

		Recommended Recycled and/or certified or organic and low impact	Good Certified, organic or low impact	Satisfactory Low impact	Discouraged Unsustainable/plan to phase out	Unclassified Investigating suitable alternatives
	Plant-based fibers	Recycled cotton Other recycled plant-based fibers	Hemp Linen Organic (GOTS certified) cotton Tencel® Seacell®		Cotton	
Textile product components	Animal-derived fibers	Recycled silk Recycled wool*	Cruelty-free silk Organic wool* Responsible wool* (RWS) Traceable wool*	Alpaca Baby camel Vicuña	Conventional cashmere Conventional merino Japanese silk Mulberry silk	
	Mineral-based fibers				Polyester	
Non-textile product components						Metal Plastic-based components
Packaging materials		Recycled cardboard Recycled paper			Non-recycled cardboard Non-recycled paper	

Table 2: Artipoppe Sustainable Materials Benchmark

*May include various types of wool.

Animal Welfare

We work with some of the rarest wool and silk yarns in the world to give our fabrics exceptional lightness, softness and unique design characteristics. Being very durable, natural and biodegradable, both wool and silk can be sustainable when produced properly. One of the main sustainability risks associated with producing non-vegan yarns is related to animal welfare. We have mainly used non-mulesed wool yarns from our suppliers. In 2021, we phased out conventional merino wool and are working with our supplier to transition away from conventional cashmere wool. This has been a challenge due to availability of high-quality, consistent supply. We have started shifting towards more sustainable options such as recycled cashmere and recycled wool. While we have always sourced the highest quality mulberry and Japanese silk available, and have appreciated its natural and durable characteristics, we are on target to no longer use conventional silk by the end of 2023 to avoid the unnecessary killing of worms that are boiled for making silk. To achieve this, we have started moving towards sourcing cruelty-free silk, a process of making silk that does not involve the killing of worms and/or using alternative fibers.

Chemical Management

We offer safe products that are free of hazardous substances in line with industry best practice. Products sold by Artipoppe are always safe to use for our customers and comply with all applicable rules and regulations. The fibers used in our fabrics are legally required to be REACH compliant which demands for the protection of human health and the environment from the risks that can be posed by chemicals.

Wastage

Deadstock: We aim to avoid overstock and overconsumption in general. Our supply chain is designed to have minimal stock, and some of our products are sold on a made-to-order basis. Furthermore, behind our obstinance for quality is our belief that our products should stand the test of time – to be used by parents and their children and by their children's children.

Minimal waste by design: By default, our ring sling and woven wrap designs have negligible waste. There is some waste from the Zeitgeist baby carriers during the cutting phase, the degree of which slightly fluctuates based on the fabric design. In 2020, we had identified that one of our manufacturers in Lithuania was more effective than the other in this regard and worked to improve this in 2021.

Our Sustainable Materials Commitment

2021	We:
Achieved	- Published our first Sustainability Report.
	- Eliminated plastic from packaging.
	- Reduced wastage by aligning the most effective manufacturing process at our
	manufacturing facilities in Lithuania.
	- Removed conventional merino wool from our material portfolio.
	- Increased usage of organic cotton compared to conventional cotton.
	- Worked on introducing new sustainable materials for 2022: recycled wool, recycled
	mulberry silk, recycled cashmere, organic cashmere and cruelty-free silk.
	We will:
2022	- Work with our suppliers on alternatives to conventional cashmere wool.*
	- Work with our suppliers on switching to recycled product labels and packaging.
2023	We will:
	- No longer use conventional silk.
	We will:
2025	- Use less than 5% conventional cotton, switching to organic, recycled or other
	fiber alternatives.

Note: Commitments will be reached by end of year indicated.

*We had aspired to phase out conventional cashmere wool by the end of 2022 towards certified, sustainable cashmere, however the consistent availability of required supply is a challenge; we are working with our suppliers on solutions.

OUR SUPPLY CHAIN

The Artipoppe Supply Chain

Our supply chain has always been intentionally short, focused on long-term relationships with few key partners. We also prefer superior material features over their cost and suppliers from countries that have robust legal systems. Our supply chain has been mapped into five segments: Tier 3: Fibers and components, Tier 2: Processing from yarn to textile, Tier 1: Manufacturing, Tier 0: Finishing and Management (Figure 1). The Artipoppe supply chain can be summarized as follows:

Tier 3: Fibers and components

In 2021, yarns and fabrics were sourced from 13 suppliers, non-textile product components were sourced from 5 and the packaging materials from 1 supplier in the Netherlands.

Tier 2: Processing from yarn to textile

All the cotton, hemp, wool and linen weaving takes place in our single weaving facility in Lithuania. Most yarns come from our suppliers already dyed, while a portion of our cotton is dyed in our weaving factory in Lithuania.

Tier 1: Manufacturing

Manufacturing includes cutting, sewing, stitching and finishing which is done at three facilities in Lithuania. Afterwards, assembled products are sent with our logistics partner, Alpi Baltika, to Artipoppe Headquarters.

Tier 0: Finishing

Once the assembled products arrive at Artipoppe Headquarters they pass through a rigorous quality management process before being packaged and shipped to consumers using DHL GoGreen, FedEx or PostNL. Starting in 2022, we switched the delivery option in available countries from DHL Standard to DHL GoGreen, a climate-neutral shipping option.

Management: Support activities

Internal operations, marketing and management is based out of the Artipoppe Headquarters in the Netherlands. IT development is supported by two companies, one based in Belarus and the other in the Netherlands.

Figure 1: Artipoppe Supply Chain

Tier 3	Tier 2	Tier 1	Tier 0	Management
Fibers & components	Processing from yarn to	Manufacturing	Finishing	Support activities
Textile product	textile	Cutting (Lithuania)	Packaging (Artipoppe HQ)	Internal
components (15 suppliers, multiple countries)	Dyeing (Multiple countries)	Sewing (Lithuania)	Shipping (Lithuania,	operations (Artipoppe HQ)
	Weaving (Lithuania*)	Stitching (Lithuania)	Artipoppe HQ) Quality	Marketing (Artipoppe HQ)
	Washing (Lithuania*)	(Lithuania)	management (Artipoppe HQ)	IT development (Belarus, The Netherlands)
Non-textile product				Netherlands)
components (5 suppliers, multiple countries)				
Product packaging (The Netherlands)			\rightarrow	

Note: Artipoppe HQ is Artipoppe's Headquarters based in the Netherlands. *Except for denim and velvet fabrics.

Areas for Improvement

From the beginning, Artipoppe has been uncompromising in quality and continuous improvement. As our company grows so does our impact and responsibility. This is a welcomed challenge to examine ourselves and strive to continuously align with our vision of offering products that are safe and of superior quality and meticulous design. Of course, also made in an environmentally conscious way. Reducing our footprint is one area that we continually focus on. Raw materials and the transport of finished goods account for a large portion of emissions. Key priority areas we are improving upon in our supply chain revolve around these areas:

Materials

The raw materials sourced for our products offer a key area for us to seek improvement. As we make efforts in improving the sustainability of materials we source, so will the positive impact of our supply chain improve.

While our supply chain is relatively short, we are improving the monitoring of the origin
Transparency of our materials to have better oversight on the impact of our entire supply chain and opportunities for refinement.

A large amount of our CO2 emissions is in the shipment of our products to consumers. We have switched to a climate-neutral shipping option, DHL GoGreen, in select countries and are researching more sustainable alternatives in the markets where this is not possible.

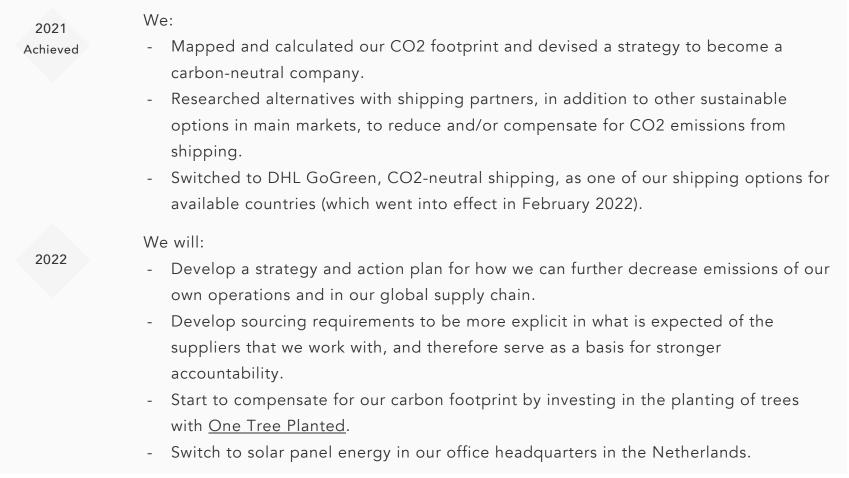


Becoming a Carbon-Neutral Company

Towards healing and regenerating mother earth. We aim to reduce emissions in all areas possible, such as through phasing towards more sustainable materials, shipping methods and energy. However, despite our best efforts, there remain emissions that are unavoidable. We are committed to becoming a carbon-neutral company. In 2022, we have partnered with <u>One Tree Planted</u> to plant trees. They are a non-profit organization focused on global reforestation to restore nature and biodiversity. We will be planting a tree for every order made, for every item we produce to compensate for CO2 emissions.

Why do trees matter? Aside from absorbing carbon, trees create social impact by providing sustenance and jobs, regulate the climate, clean the air, provide shelter and protect biodiversity, intercept and filter water and improve our health. The decision to contribute to reforestation was made in line with our vision to leave the world better than how we found it. As demand for resources are outstripping supply, we hope that this will be a step for Artipoppe to contribute to earth regeneration.

Our Sustainable Supply Chain Commitment



Note: Commitments will be reached by end of year indicated.