

12 August 2022

ASX Market Announcements Office
Australian Securities Exchange

Baby Bunting Group Limited (ASX: BBN)

2022 Sustainability Report

Baby Bunting Group Limited is pleased to release its 2022 Sustainability Report.

The release of this announcement was authorised by the Board.

For further information, please contact:

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Company Secretary
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Sustainability Report 2022





Supporting new and expectant parents during the early years of parenthood

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About Baby Bunting

Baby Bunting Group Limited is an ASX listed holding company for the Baby Bunting Group. The primary operating entity is Baby Bunting Pty Ltd. The business was established in Melbourne as a family-owned business in 1979 and it was publicly listed on the ASX in 2015.

Baby Bunting is Australia's largest specialty retailer of maternity and baby goods, primarily catering to parents with children from newborn to three years of age and parents-to-be. Baby Bunting also provides a range of services, including car seat installation, and the hire of car seats and other maternity goods.

As an omnichannel retailer, Baby Bunting operates 65 large format retail stores in Australia and its online store at babybunting.com.au is the leading website for baby goods in Australia. In addition, Baby Bunting provides goods to parents in New Zealand through its New Zealand website, babybunting.co.nz. Baby Bunting's first New Zealand physical store opened in August 2022.

About this report

This Sustainability Report provides details of our approach to material issues and a summary of our sustainability performance for the financial year ended 26 June 2022.

This report has been prepared with reference to the Global Reporting Initiative's (GRI) Standards: Core option and the Sustainability Accounting Standards Board (SASB) standard for the Consumer Goods industry, Multiline and Specialty Retailers and Distributors sub-industry. Our disclosures cover the topics that may have an impact on our financial performance and are most material to our business and our stakeholders.

This year we are also reporting the extent to which our sustainability practices contribute to the United Nations (UN) Sustainable Development Goals (SDG). The SDG were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the SDG. We have included an SDG Index to link our associated sustainability management practices to the SDG and their specific targets.

No assurance was sought for this year's Sustainability Report.

We recommend that this report be read in conjunction with the Baby Bunting Group Limited 2022 Annual Report.

For enquiries, please email: enquiries@babybunting.com.au

CEO & Managing Director's message



Matt Spencer,
CEO and Managing Director

At Baby Bunting, our purpose is to support new and expectant parents during the early years of parenthood and this is something we have been doing for over 40 years.

At Baby Bunting, we are focused on being a purpose-led organisation. That means putting our purpose at the heart of everything we do. When we think of sustainability, we want to be a responsible organisation with the purpose of supporting new and expectant parents during the early years of parenting not just in the short-term but for many years to come.

Our goal continues to be to supply high quality products, services and advice in a manner that minimises impacts on the environment, while creating sustainable value for our stakeholders and communities.

As we grow, we are focused on working to ensure that all aspects of our business function in a way that contributes to a sustainable operation and creates a positive and long-lasting impact on our people, communities and our environment.

During the year, we made progress with our sustainability goals. Our safety performance improved, we continue to invest in our people and we have expanded the support we provide for our communities.

Our ESG strategy is based around the following three pillars:

our People

creating an equitable, inclusive and safe workplace where our team members can thrive. With a focus on being a parent friendly organisation.

our Communities

contribute to support the communities in which we operate and to focus on the needs of parents and families.

our Planet

operating in a sustainable manner to reduce the environmental impact of our actions.

We invested in a modern and extensively equipped product testing room at our Store Support Centre. You can read about the Wen Huang Product Testing Room we commissioned in this report.

We reduced our estimated scope 2 emissions by 4% on FY2021 levels, even though our store network grew during the year. We sourced 11% of our electricity from renewable sources (up from 0% in the prior year). We have commenced our transition to renewable energy as we work to a net zero future.

In the year ahead, we are working on further embedding how we operate in a way that assists in contributing to sustainable outcomes and supports our three pillars. We – along with other industry participants – are working towards the launch of a car seat product stewardship that will help to provide a solution for end-of-life car seats.

We will be focusing on increasing our use of renewable energy and expanding roof top solar usage. We are also planning changes which should see us further reduce packaging and non-reusable materials.

In summary, we are working towards making Baby Bunting's operations more sustainable so we can live our purpose of supporting new and expectant parents long into the future.



Matt Spencer
CEO and Managing Director

ESG governance

The Board takes seriously its responsibilities to our Team Members, our customers, our suppliers, our communities and our environment. Through its oversight of the Company's ESG initiatives, the Board plays a role in ensuring the delivery of our sustainability objectives and long term value to our shareholders.



The role of the Board

The Board monitors management's work in relation to the Company's operations including ESG risk management. The Board seeks to ensure that ESG considerations are viewed in key aspects of the Company's strategy, from setting budgets to setting the objectives of key transformational projects. This Sustainability Report has been approved by Baby Bunting's Board.

For more information on the operation of our Board and Board Committees, and other governance arrangements, see the Corporate Governance Statement, included in the 2022 Annual Report, and the Audit and Risk Committee Charter.

Ensuring the right behaviour

At Baby Bunting, how we conduct ourselves is fundamental to our business.

Baby Bunting has policies in place designed to ensure that team members act in accordance with Baby Bunting's legal obligations and in an ethical manner.

These policies include:

- Code of Conduct
- Business Conduct Compliance Policy
- Anti-Bribery and Corruption Policy
- Whistleblower Protection Policy

Copies of these policies are available at babybunting.com.au/investor

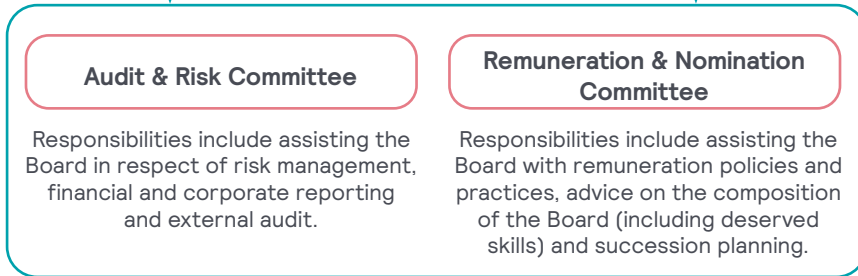
Material breaches of, or matters reported under, these policies must be promptly reported to the Board.

During the year, there were no material matters arising under these policies. There were 3 reports made by team members using our Whistleblower Hotline, which is operated by an external provider. All of these reports related to personal work-related grievances (ie interpersonal matters). Full details of these reports are provided to the Board to provide it with insight into the way management classifies these reports.

The **Company's Constitution** sets out the rights of shareholders and the manner in which Directors are to be elected and how the company is to be governed.



The **Board Charter** sets out those matters that are reserved to the Board and the manner in which the Board is to operate.



Expected standards of behaviour and processes to ensure appropriate conduct are set out in policies such as the **Securities Trading Continuous Disclosure, Anti-Bribery and Corruption, Whistleblower and Code of Conduct**.

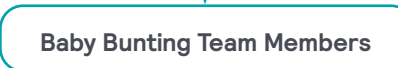
Committee Charters set out the matters delegated by the Board to the Committee and how they are to function.

Responsibilities include assisting the Board in respect of risk management, financial and corporate reporting and external audit.

Responsibilities include assisting the Board with remuneration policies and practices, advice on the composition of the Board (including deserved skills) and succession planning.



Delegation of Authority Policy set out the matters delegated to management (and in which authority is to be exercised).



Whistleblower Protection Policy

- Team Members can report concerns to their manager or other officer
- A confidential Whistleblower Hotline service is also available (via phone, email, website) and team members can make anonymous and confidential reports
- The GM – People & Culture is the Whistleblower Protection Officer
- The Group Legal Counsel is the Whistleblower Investigations Officer

Material matters reported to the Board

	FY2021	FY2022
Material breaches of policies were identified during the year	0	0
Protected whistleblower reports	0	0
Personal work-related grievances reported via the Whistleblower Hotline	4	3

ESG and remuneration

Baby Bunting's short term incentive plan operates as part of the variable remuneration structure for certain roles at Baby Bunting. Safety and customer performance are key performance indicators (KPIs) that apply to all participants in the short term incentive plan. For senior executives, specific KPIs are selected having regard to the delivery of Baby Bunting's ESG framework.

In addition, eligibility for a short term incentive is dependent upon the team member achieving an acceptable rating for performance and values. In assessing performance and values, regard is had to business conduct matters and behaviours.

Where standards and behaviours fall short of the Board's expectations, a person will not be eligible for any short term incentive payment even where other financial or non-financial goals have been achieved.

For the 2022 financial year, the CEO & Managing Director and the Chief Financial Officer had short term incentive performance measures that were linked to team member safety and customer satisfaction. You can read more about Baby Bunting's remuneration practices in the 2022 Remuneration Report (which is part of the 2022 Annual Report).

Our approach to sustainability

Baby Bunting has embarked on a process to improve how we assess and report on our sustainability. We are committed to improving our sustainability performance and reporting transparently on our progress.

Our stakeholders

Our key stakeholder groups, why they are important to us and how we engage with them, are as follows:

Stakeholder	Why they are important	How do we engage
Customers	We exist to support new and expectant parents and their expectations regarding issues related to sustainability – from product safety and use of packaging to data privacy – are extremely important to us.	We receive feedback from customers directly in our stores, via our Customer Care team, through comments on our website and on our social media pages.
Team Members	Our success depends on the people we employ and the talent we attract, develop and retain. We want to ensure a safe and inclusive environment and a culture aligned with our values of passion, consideration, honesty, positivity, focus and boldness.	We seek to understand what is important to our team members including through team briefings, onboarding and exit surveys, and internal listening sessions.
Shareholders	Institutional and retail shareholders provide the capital necessary for our business. The links between sustainability and financial returns are fast becoming their key focus, particularly around sustainable supply chain, human capital management and product stewardship.	We engage with our investors regularly via investor calls and briefings, during Annual General Meetings and our investor website. We also gain insights into investors' concerns and topics of interest through ESG ratings.
Communities	Local communities are where our team members live and where our stores, Distribution Centre and Store Support Centre are located. We seek to have a positive impact where we can, by providing financial benefits, training, mentoring and employment opportunities.	By having an open channel of communication with our customers in the stores and communities in which we operate, we gain insights into what is most important to them and their families.
Suppliers and manufacturers	Our suppliers provide the products that we make available to our customers so preserving these critical relationships by engagement and communication is vital.	Our buying team have discussions with our suppliers about areas of common interest and exchange information about a wide range of issues, including supply chain matters, ethical sourcing and sustainability.
Regulators	Regulators and governments set the rules under which companies like Baby Bunting operate.	As a transparent and open company, we engage periodically with tax authorities, regulatory authorities (primarily the ACCC and the state consumer law regulators), federal and state government departments, local authorities and other regulatory bodies on current issues.



Materiality

Based on our materiality assessment, we have identified:

- the sustainability topics, issues, risks and opportunities identified by our senior executives as most critical to Baby Bunting;
- the topics that investors and the ESG rating agencies consider material to Baby Bunting;
- the issues identified by the SASB as most relevant to the Multiline and Specialty Retailers & Distributors industry sub-sector; and
- the GRI topic-specific issues considered most material to Baby Bunting by senior leaders and investors.

The process for defining the report's content was based on the GRI Reporting Principles.

Topics identified as material for Baby Bunting are as follows:



Pillars:	Our People	Our Community	Our Planet
Topics	<ul style="list-style-type: none"> • Health, Safety and Wellbeing • Employer satisfaction and wellbeing • Diversity 	<ul style="list-style-type: none"> • Supporting new and expectant parents • Product safety • Providing great services • Respecting the privacy of our customers and partners • Making a positive impact on the communities in which we operate 	<ul style="list-style-type: none"> • Energy use • Modern slavery • Product stewardship • Packaging and recycling



Our ESG strategy

As part of our ESG strategy, we have conducted a materiality assessment and identified certain material topics which we believe are most relevant to Baby Bunting. For these topics, we have set ourselves specific targets. We believe these targets will help to deliver improvements in Baby Bunting's operations and performance and will contribute to building Baby Bunting's sustainable performance.


OUR PEOPLE

Goal	Target	2022 Achievement	Trend and Sustainable Development Goal
Safety: Our Lost Time Injury Frequency Rate to be below 7 by 2025	For FY2022, we were targeting a rolling 12-month LTIFR lower than the prior year. We define a lost time injury to be any injury that results in a team member being unable to attend their next rostered shift.	In FY2022, we achieved this as LTIFR was 8.44. In FY2021, LTIFR was 9.98.	Improving
Gender equality: At least 50% women across all levels of Baby Bunting by 2030	Our gender diversity goals for FY2022 were: <ul style="list-style-type: none"> • that women and men comprise at least 40% each on the Board by 2025 • that at least one third of the Company's senior executives be women in the medium term • that at least 50% of the Company's Area Managers and Regional Managers be women in the medium term 	<ul style="list-style-type: none"> • Women comprise 50% of the Non-executive Directors. • Women make up 25% of Senior Executives. • Women make up 76% of all Store Manager positions. • Women make up 58% of all Regional/Area Manager positions. 	Improving  
Share ownership: At least 65% of our team members to be shareholders by 2025	We want to share the success of our business with all team members. Our goal is to have a large majority of our team members be holders of Baby Bunting shares.	Each year since our IPO in 2015, we have operated an employee share gift plan providing around \$1,000 worth of Baby Bunting shares to eligible employees. Just under 50% of our team members are shareholders and we want that number to grow.	Steady

Our ESG strategy continued

- Renewable Energy usage increased to be 11% of electricity used in FY2022 (up from 0% in FY2021)
- Scope 2 emissions reduced by 4% on FY2021 levels
- Our reductions in scope 2 emissions were achieved at a time when our store network in Australia continued to grow


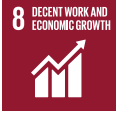

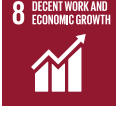

OUR PEOPLE

Goal	Target	2022 Achievement	Trend and Sustainable Development Goal
<p>Training: On average, every team member to complete at least 15 hours of training each year</p>	<p>At Baby Bunting, building the Best Team is a key pillar to our ongoing success. We are committed to providing training to all team members to ensure they have the skills and knowledge to succeed in their roles.</p>	<p>During the year, a focus was on training for our leaders (and emerging leaders), with, on average:</p> <ul style="list-style-type: none"> • Store Managers completing around 37 hours of training • Area Managers completing around 60 hours of training • Store Support Centre and Distribution Centre managers completing around 15 hours of training <p>During FY2022, on average each team member completed around 4 hours of formal training.</p>	<p>Improving</p> 

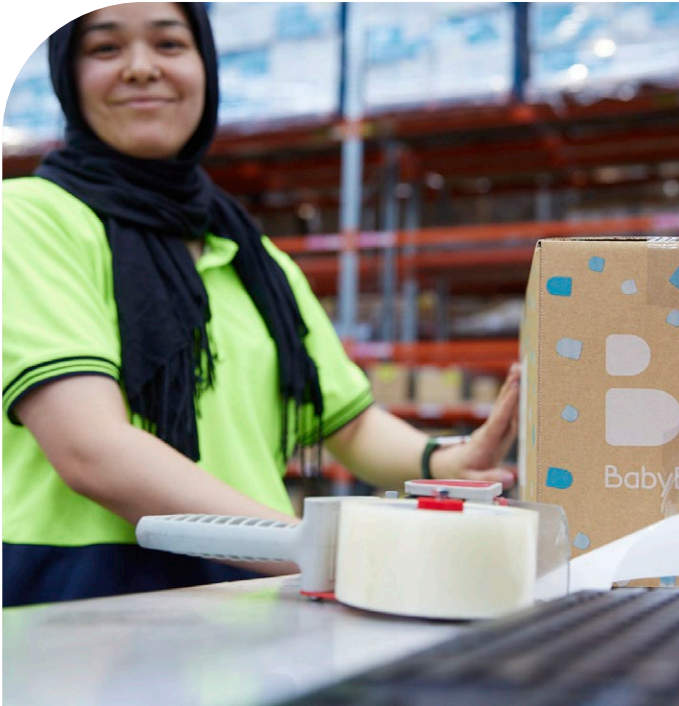
COMMUNITY

<p>Helping parents who need support: To raise \$10 million in the period 2021 to 2030 to assist parents in need</p>	<p>Our big goal is to grow our efforts so that in the period 2021 to 2030 we have raised at least \$10 million to assist parents in need and their children.</p>	<p>In FY2022, we contributed \$695,000 to support the communities in which we work (up from \$260,000 in FY2021). We raised \$285,000 to support Life's Little Treasures Foundation and a further \$304,000 to support PANDA. We donated \$50,000 to the Red Cross to support its flood relief program and provided around \$55,000 of kind support that helped a number of parents in need and organisations that support them.</p>	<p>Our cumulative total is \$955,000 – and we will be working hard to hit our long term goal</p>
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PLANET

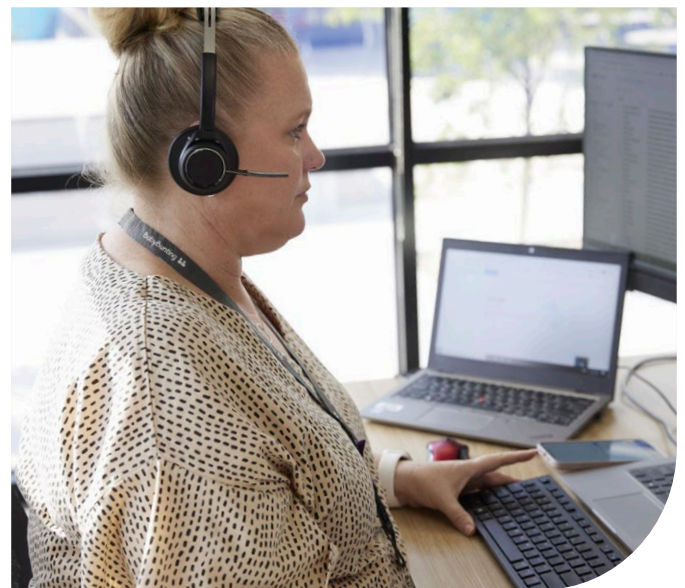
Goal	Target	2022 Achievement	Trend and Sustainable Development Goal
<p>Energy: 100% renewable energy by 2031 for sites we control</p>	<p>In FY2022, we have committed to obtain around 25% of our electricity requirements for our stores and National Distribution Centre from renewable sources.</p>	<p>Around 11% of the electricity consumed at sites we control came from renewable energy.</p> <p>We commenced our green energy buying program on 1 January 2022, which sees 25% of electricity for sites we control purchased from renewable sources.</p> <p>In FY2023, we have plans to commence transitioning some of our stores to be powered predominantly by roof top solar, with our first store to be powered this way in 1H FY2023.</p>	<p>Commencing</p>  
<p>Climate change action: Net zero scope 1 and 2 greenhouse gas emissions by 2050</p>	<p>Baby Bunting acknowledges the risks associated with climate change and wants to play its part in working towards appropriate climate action. We are at the start of our journey, but we have set ourselves a goal and will work very hard to achieve it.</p>	<p>We reduced our scope 2 emissions by 4% on FY2021, in a year when our store network grew by 4 stores (and with 4 stores opened part way through FY2021).</p> <p>During 2022, we introduced a system to monitor our site electricity consumption and emissions information. Work is required to build out our data collection and monitoring to provide further visibility on the sources of our carbon emissions.</p>	<p>Commencing</p>  
<p>Product stewardship: Product stewardship schemes in place covering our hard goods category products by 2030</p>	<p>Product stewardship schemes seek to ensure the responsible treatment of products at the end of their life, by recycling and appropriate disposal. Baby hard goods – eg car seats, prams and cots – are designed to provide safety and protection to young children and are made with hard durable materials. Developing product stewardship schemes will ensure that the components of these products can be reused or recycled in a manner that ensures as small an impact as possible once the goods have reached the end of their useful life.</p>	<p>We have been working, along with other retailers and manufacturers, on a product stewardship scheme for children's car seats, known as SeatCare. SeatCare will be an industry-led voluntary product stewardship scheme.</p> <p>Scheme design has progressed since October 2021 and our hope is that the scheme is established and operating during early 2023.</p> <p>In New Zealand, we will participate in the product stewardship scheme known as SeatSmart. Consumers will be able to return end-of-life car seats at stores for processing to ensure as much of the seat is diverted from landfill and into recycling as possible.</p>	<p>Improving</p> 

Our people



Baby Bunting employs around 1,530 people across Australia in 65 stores and in our Distribution Centre and Store Support Centre.


In August 2022, our first New Zealand store opens. We have commissioned a distribution centre in Auckland and we have plans for further stores to open in the year ahead.



We are proud of the Baby Bunting team and their skill, knowledge, dedication and commitment to helping new and expectant parents during what is most likely the happiest time in their lives, but also a time of great change and challenge.

We want to build the Best Team in every possible way so they can continue to provide the assistance, advice and service that has helped us become Australia's leading maternity and baby goods retailer, while delivering value to our shareholders and other stakeholders.

We have made some significant investments in our people systems over the last few years and have plans to continue that.

A photograph of a middle-aged man with a grey beard and mustache, smiling warmly. He is wearing a blue and white checkered shirt under a bright yellow high-visibility safety vest. The background is a blurred industrial setting, likely a factory or warehouse, with various metal structures and equipment. In the top right corner, there are three decorative shapes: a teal circle, an orange circle, and a white circle. A large white curved shape is on the left side of the page.

We want to
build the Best
Team in every
possible way.

Our people continued

We are committed to supporting our Team Members and ensuring we provide a safe and inclusive workplace where our Team can thrive.

Training

During the year, we have expanded our learning and development systems, so that all team members wherever they are, can access training relevant for their role.

Our team members completed more than 5,110 hours of recorded training. The formal training covered topics such as retail and product compliance and workplace respectful behaviours. Importantly, the topics also extended to leadership programs for our store managers and courses on managerial leadership for our Area and Regional Managers and our managers at the Store Support Centre.

We will continue to expand our training for our team members as part of our commitment to building the Best Team.

Paid Parental Leave

As an organisation that supports new and expectant parents, we want to be a great place for our team members to be as they start their families.

Baby Bunting expanded its paid parental leave policy during the year. The policy now provides team members with access to 12 weeks, paid parental leave, plus superannuation payments.

The policy also extends to casual team members who have been with Baby Bunting for at least 12 months.

Parental leave payments are made to the primary carer (ie mum or dad) who has the primary role of providing care to their child at that time.

Team members are also provided with support upon the birth (or adoption) of their child, ongoing team member discounts and access to free car seat installations.

- 48 team members commenced paid parental leave during the year
- Over three-quarters of team members who ended their parental leave returned to work (some on part time arrangements)

Safety

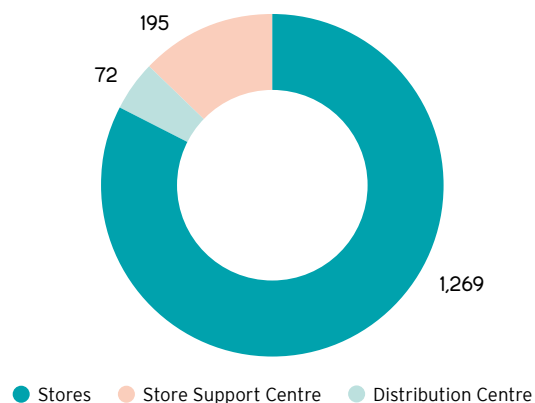
Our objective is for our teams to leave work healthy and safe. All team members have a responsibility for contributing to their own safety and the safety of colleagues and customers. We encourage our Team to Think Safe, Act Safe and Be Safe.

Our team members work in three different kinds of environments: our stores, our Distribution Centre and at our Store Support Centre.

For Baby Bunting, workplace health and safety (WH&S) is not just a matter of compliance, but a fundamental principle and a requirement for how we do business and our culture.

Our Safety Management System is designed to ensure systems are in place to assess and mitigate workplace risks and ensure safe work practices in all our work environments.

Team Member by Location



Some of our measures to ensure the safety of our team include:

- Company-wide policies regarding the safe use of equipment and motorised vehicles and covering all aspects of day-to-day work involving safety. Baby Bunting requires the use of safety gear with mandatory training. Timely reporting of all injuries, no matter how small, is a key feature of our system.
- Detailed procedures for team members in our stores and the Distribution Centre regarding safe work practices around reach trucks, stacking and retrieving heavy or bulky items, picking up heavy packages safely and avoiding trips and falls.
- Mandatory induction and regular WH&S training for all team members. Those working in higher-risk areas, such as the Distribution Centre, must complete specialised modules specific to their area.
- A WH&S safety committee, responsible for regular inspections, monitoring high-risk areas, identifying problems, seeking improvements and reporting all injuries monthly to the Executive and the Board.
- Mandatory reporting of all incidents, including near-misses, hazards and all injuries, for all team members.

We track the Lost Time Injury Frequency Rate (LTIFR), and a key measure is the rolling 12-month LTIFR. We define a lost time injury (LTI) to be any injury that results in a team member being unable to attend their next rostered shift.

During FY2022, there were 13 individual lost time injuries (FY2021: 16). A breakdown of the injuries and the days lost is shown in the box. At the end of the year, the 12-month rolling LTIFR was 8.44 (FY2021: 9.98). That is an improvement on the prior year, but we want to improve that even further. Our target is to get that number as close to zero as possible.

Of these 13 LTIs, 11 occurred in stores and 2 occurred in the Distribution Centre. These injuries primarily occurred due to manual handling issues.

We have a return to work specialist as part of our People & Culture team who supports team members who have been injured at work providing modified duties plans to help them get back to work sooner.

Lost Time Injuries

	FY2021	FY2022
Rolling 12-month Lost Time Injury Frequency Rate	9.98	8.44
Individual Lost Time Injuries (LTIs)	16	13
LTIs with one day missed	8 team members	7 team members
LTIs with two or three days missed	5 team members	4 team members
LTIs with four to seven days missed	3 team members	0 team members
LTIs with more than seven days missed	0 team members	2 team members
Total equivalent days lost due to injury	205 days	49 days
Total equivalent days lost as a percentage of total days worked	0.10%	0.02%

Our people continued

Employee satisfaction and wellbeing

As an organisation providing service and advice to new parents and parents-to-be, we understand building the Best Team is fundamental to living our core purpose.

Baby Bunting offers training and is focused on providing a supportive working environment that allows people to be themselves, have fun and feel both challenged and satisfied at the end of each day.

We have a number of measures in place to make Baby Bunting more attractive to potential employees, including parents, as a place to work.

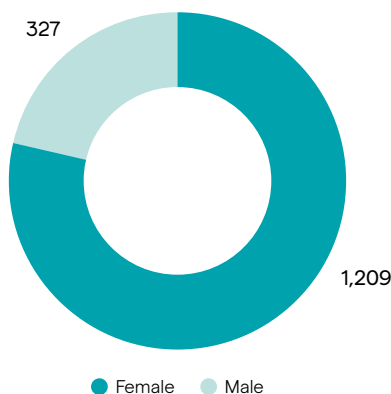
Our Paid Parental Leave policy (described above) supports our team members who are supporting new members of their family.

In addition, we want to make it as easy as possible for all team members who have had time away from their roles for parental leave to return to their roles (or a modified role that suits their new circumstances). Our target is to have at least 95% of team members return to work following their parental leave, taking into account that not all team members wish to return to work after starting a family.

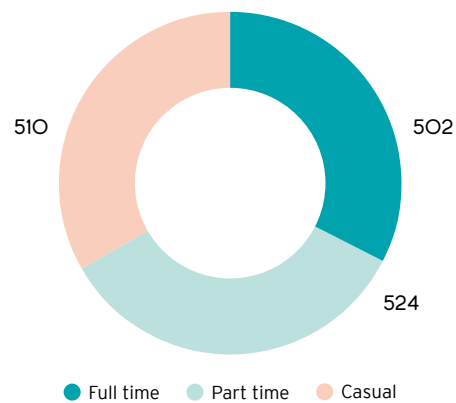
To achieve this we:

- provide significant support for them to work flexibly;
- help them map a pathway back to full-time employment if that is what they want or assist them to decide on a part-time employment that works for them;
- make it clear, if they do decide to pursue their career elsewhere, that we are open to considering available opportunities if they wish to return to us in the future.

Male/Female



By Work Type



Continuing to support our team through COVID-19

In FY2022, we continued our policies and practices designed to support our team during the ongoing COVID-19 pandemic.

COVID-19 paid leave: COVID-19 paid leave has been introduced to provide support to team members unable to work due to self-isolation requirements or the unanticipated closure of schools or childcare. The policy applies to full, part-time and casual team members and provides leave to cover the equivalent of two weeks of rostered work.

COVID-19 vaccination leave: We have introduced paid leave to enable team members to obtain COVID-19 vaccinations, where those team members work at least 25 hours a week and require time off from work to attend a scheduled vaccination appointment.

Supporting our Team through COVID-19

We supported 924 unique team members during FY2022, through paid COVID-19 leave

We provided 22,483 hours of paid COVID-19 leave during FY2022

Encouraging employee share ownership

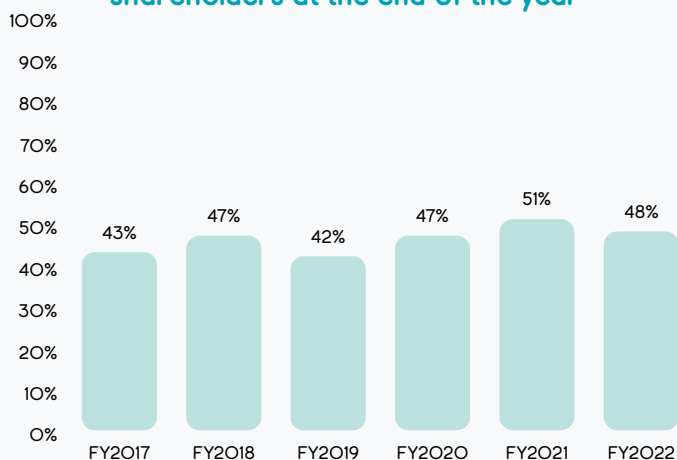
Baby Bunting operates a General Employee Share (GES) Plan designed to provide team members with the ability to accumulate shares in Baby Bunting.

In FY2022, Baby Bunting offered \$1,000 worth of shares (which was 207 shares at the time), free to eligible team members. At the end of FY2022, just under 50% all team members were shareholders, the vast majority of whom acquired their shares through the GES Plan.

We recognise the importance of share ownership in building alignment and rewards for our team. Our goal is for at least 65% of our team members to own Baby Bunting shares by 2025.

For FY2023, the Board has again determined to offer \$1,000 worth of Baby Bunting shares to eligible team members to further provide benefits and build alignment across Baby Bunting. This should help us work towards the 65% share ownership goal as we extend the plan to the increased number of team members.

Proportion of team members who are shareholders at the end of the year



General Employee Share Plan Offers

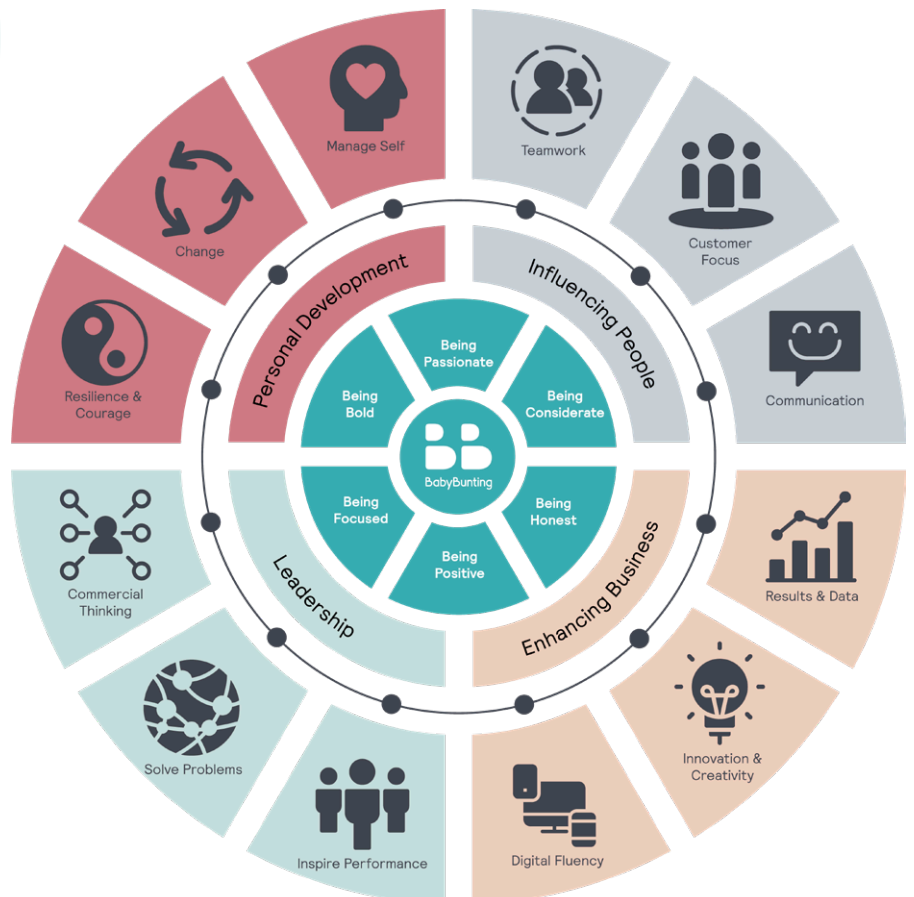
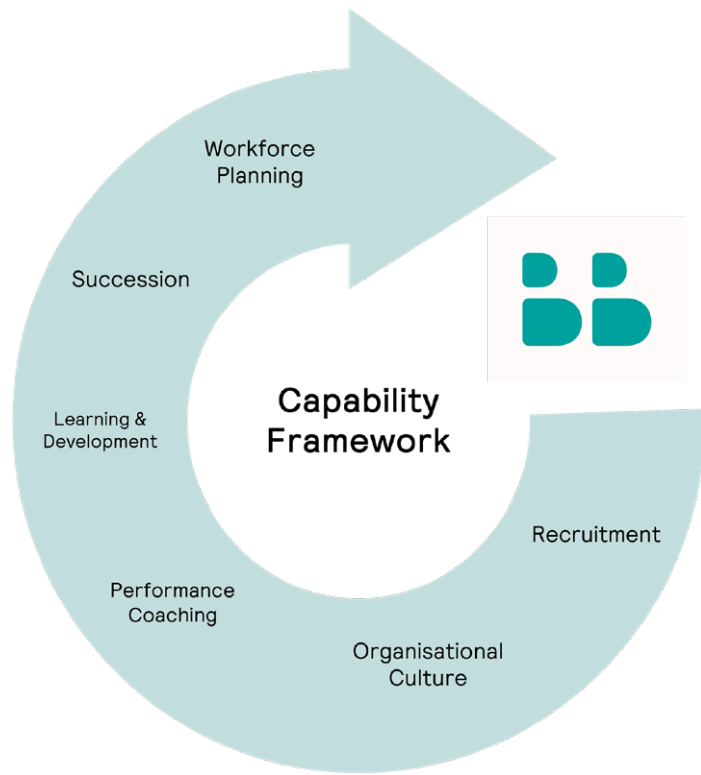
- 7 offers across each year since 2015
- 2,559 shares provided to team members who have participated in all 7 offers
- Value of those shares (including dividends paid) is \$11,691 (using share price at the end of the year)

Our people continued

Capability framework

To help our team members grow and develop at Baby Bunting we introduced our Core Capabilities Framework.

The framework is intended to assist team members to continue their professional development, career advancement or to gain new skills. Our framework comprises 12 core capabilities that are grouped into four capability groups with our Values at the heart of our framework.



Training

Training and development of our team are very important. We want to build the Best Team and investing in our team members' skills and knowledge as well as maintaining business conduct and safety compliance knowledge is a key part of this.

Our goal is to have, on average, team members completing 15 hours of training each year as a minimum.

We understand that team members receiving skills training feel more confident and are better equipped to perform their roles and to assist our customers (as well as other team members), which helps with recruitment and retention.

Over time, we want to ensure team members who want to build their skills have the opportunity to do so. This means they can stay on top of the requirements of their role or evolve into other roles, which might include leadership positions (either at stores or in other parts of the business). Our Capability Framework is a key part of this.

In FY2023, we will continue to make investments into training, prioritising the development of our leaders and embedding capability uplift opportunities through a range of external learning partners. We have deployed a new learning and development system and adding to our training modules, which are available to all team members via our existing internal communication platform.

Diversity

We believe that diverse teams perform better. As a retailer with stores located in suburbs and town across Australia, it is important to us that our team members reflect the broader Australian community.

While our team members are predominantly parents themselves, our team is made up of a variety of people with many different backgrounds.

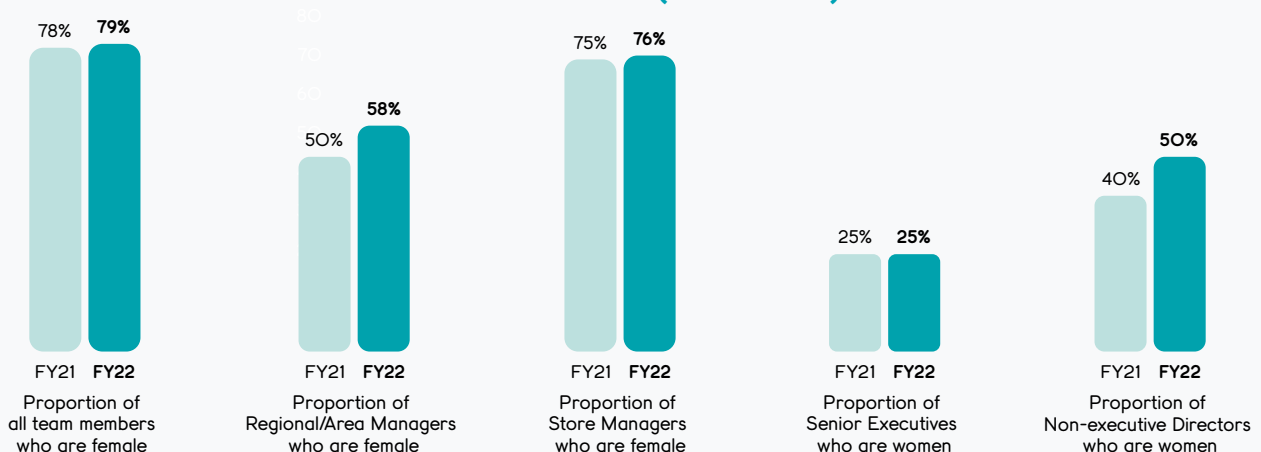
The majority of our team members are women, noting that the proportions vary across different parts of Baby Bunting (see box). We have a goal for women to make up at least 50% of our team across all levels by 2030.

In September 2021, we achieved our goal of having equal representation on our Board, with three female and three male Non-executive Directors.

Our recruitment policy across Baby Bunting means we always seek to recruit the best people available, regardless of their ethnicity, age, gender, sexuality, religion or physical ability.

As we expand our network of stores around Australia, we want to provide greater opportunity for a broader range of people to obtain employment with Baby Bunting. At 65 stores today, we have plans for more than 110 stores around Australia. As part of that expansion, we want to identify opportunities for expanding Aboriginal or Torres Strait Islander employment in the coming years.

Gender Balance (End FY2022)



Our community

We offer support to new parents and parents-to-be through our product expertise and advice and by providing a safe and caring environment for them in the early years.

Supporting new and expectant parents

We believe Baby Bunting has been successful because we have stayed true to our purpose. While evolving new channels in digital and online, we have maintained our strong people focus and friendly service. Our culture has remained closely aligned with the original family feel where parents and their babies always come first.

We have around 1.4 million members of “Baby Bunting family”, our loyalty program, with approximately 705,000 active members (as at June 2022). We find that members tend to re-engage with Baby Bunting as their child reaches developmental milestones or when a subsequent child joins the family. Improving our loyalty program is a focus for the coming period to ensure we provide tailored and personalised offers and information for our members.

Product safety

Day in, day out, we deal with children’s safety. Our customers put a huge amount of trust in us and we continually focus on meeting and exceeding their expectations when it comes to product safety.

We have stringent processes in place to ensure that all the products we sell conform with relevant Australian mandatory safety standards or, where there is no Australian mandatory or voluntary standard, comparable European or US safety standards.

During the year, we were proud to announce the official commissioning of our Wen Huang Product Testing Room, a space dedicated to ensuring products we sell are safe for the little ones using them. This equipment includes a rolling road machine, a curb mounting test machine, an inclined stability testing machine and more, allowing us to thoroughly test baby products through a range of scenarios.

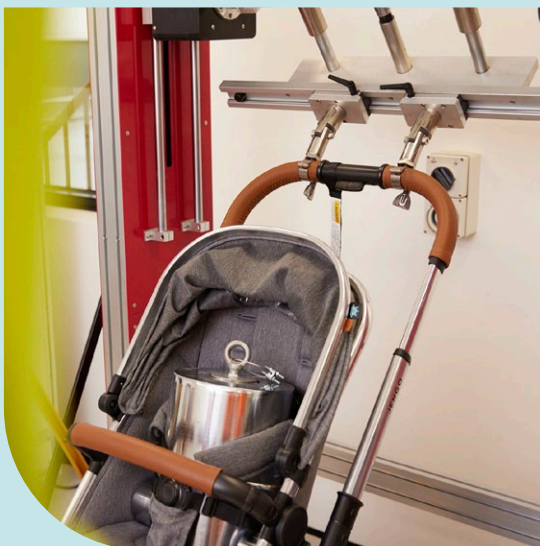
The opening of this room is an important milestone as we continue to prioritise product safety and compliance. However, for our team, there’s an extra element of emotion tied to the occasion.

Wen Huang was our very first Quality Assurance and Compliance Manager here at Baby Bunting. He was a leader in his field and passionate about his role, and he had an incredible vision: having our own well-equipped product testing room to enable us to test certain products thoroughly on-site at our Store Support Centre.

Devastatingly, Wen passed away before he could see his vision realised.

We are honoured to remember Wen and his commitment to safety through the Wen Huang Product Testing Room.





Infant & Nursery Product Alliance of Australia (INPAA)

Baby Bunting has been a long-time member and partner of INPAA. INPAA is committed to the promotion of infant safety. INPAA works closely with regulatory authorities, international affiliates and industry members to improve infant safety.

Baby Bunting supports INPAA through the contribution of our compliance team as participants on various INPAA technical committees and groups. In addition, Baby Bunting supports INPAA's Baby Safety Month, with the inaugural event held in November 2021. We are proud to be supporting Baby Safety Month again in November 2022. Baby Safety Month plays an important role in raising the knowledge and awareness of parents and caregivers about safe practices, whether it be safe sleeping, safe travel or keeping baby safe around the home.

Our community continued



Providing great service

As a business providing essential products and services to new parents and their babies, we are heavily dependent on our team members to provide outstanding service and support. We provide induction training for new team members and ongoing skills and product training so their capabilities and knowledge grow over time. We aim to provide a flexible, caring and supportive environment so they can get on with giving the wonderful service our customers need and value.

One way we track customer satisfaction is by measuring our Net Promoter Score (NPS). This measures the likelihood that someone will recommend us to a friend or family member. Our latest score for FY2022 was 72, which is a great result and a credit to our team.

The score provides us with a way in which we can focus on finding ways to improve our service and support new parents.

Respecting the privacy of our customers and partners

We recognise that when we collect the personal information of our customers, we have an absolute obligation to respect it and to secure it from unauthorised access or disclosure.

We do not provide the personal information of our customers to third parties for their marketing purposes.

We also assess and account for privacy risk to personal information when assessing, selecting and using third-parties (eg software and other partners).

We have training in place to ensure our team understand that they must treat our customers' personal information appropriately; they must only use it for the purpose for which it has been given and protect it.

Data security risk is of critical importance to our business and customers, particularly as our online sales are a significant part of our overall sales.

We have robust cyber and data security controls in place and are committed to continually investing in and improving our systems and security controls to minimise the risk of attackers accessing and taking our information or the information of our customers.

Making a positive impact in the communities in which we operate

Baby Bunting wants to support parents right through their journey, so we seek to make a significant contribution to our local communities by supporting key initiatives and partnerships that we see touch the lives of families we support.

During the year, two significant partnerships were:



PANDA Perinatal Anxiety & Depression Australia

We are an active supporter of this organisation, which offers information, services, support and counselling for parents experiencing perinatal anxiety and depression.

In FY2022, through the wonderful support of our customers and team we helped raise \$285,000 for PANDA - an increase over \$90,000 raised in the prior year.

Life's Little Treasures Foundation

Supports the families of sick and premature babies. We have been supporters for six years now as the presenting partner for the foundation's major fundraising event, Walk for Prems.

In FY2022, through the contributions of our customers, team and partners we were able to raise \$304,000 (up from \$170,000 in FY2021) for Life's Little Treasures Foundation.

We also donated \$50,000 to the Red Cross to assist with flood relief and we provided around \$55,000 of in-kind product support to organisations to assist parents in need.

In addition, we also manage the EACH program, a Victorian government funded program under which babies at risk (in families either disadvantaged or new to Australia and still getting established) are provided with a car seat, bed and bedding.



During the year, we raised and contributed \$695,000 to our charity partners and other organisations that help parents and families

Our planet

As Australia's largest specialty maternity and baby goods retailer, we have a part to play in ensuring our impact on the community and the environment is as positive as it can be.

We aim to reduce our environmental footprint, particularly our energy use, waste and packaging.



Reducing the energy intensity of our operations

For a large format retailer like Baby Bunting, one of our largest potential impacts is energy use and emissions.

We have taken steps over the last few years to reduce the energy intensity of our store operations by installing energy efficient lighting, introducing features designed to efficiently use heating and cooling systems and to conserve power usage.

Our new National Distribution Centre and Store Support Centre was commissioned in May 2021. These buildings have a 5-star energy rating along with solar panels that support electrical charging stations for our fleet of reach trucks and manual handling vehicles.



We are working towards sourcing all of our controllable electricity requirements from renewable sources by 2031. In FY2022, we committed to obtain around 25% of our electricity requirements for our stores and National Distribution Centre from renewable sources.

In the longer term, we have set ourselves the goal of having net zero scope 1 and 2 greenhouse gas emissions by 2050. Baby Bunting wants to play its part in working towards appropriate climate action. We are at the start of our journey, but we have set ourselves a goal and will work hard to achieve it.

There are three types of carbon emissions:

- Scope 1, resulting from burning fuel, like coal and gas. We generate almost no Scope 1 emissions;
- Scope 2, emissions generated through the grid electricity we purchase; and
- Scope 3, upstream emissions from suppliers providing services and making and transporting our products, and downstream emissions caused by customers using and disposing of our products.

Energy consumption

Energy consumed across our business, all sources (grid electricity, gas and petrol in vehicles: 32,223 GJ (FY2021: 29,449 GJ).

Utilisation was: 84% (FY2021: 94%) from grid electricity, 11% from green energy (FY2021: 0%), 5% (FY2021: 5%) from petrol and 1% (FY2021: 1%) from gas use (one store).

We started FY2021 with 56 stores and opened 4 stores during that year. During FY2022, we opened a further 4 stores within Australia to finish with 64 stores at the end of the year.

Emissions

Our carbon emissions during FY2022 were as follows:

- Scope 1: 149 tonnes (FY2021: 150 tonnes) CO₂e
- Scope 2: 6,068 tonnes (FY2021: 6,332) tonnes CO₂e
- Scope 3: No figures are available for Scope 3 at this time.

In preparing the above calculations:

- approximately 11% of the calculated Scope 1 emissions are based on an estimate of petrol consumption during the year for a small number of our vehicles; and
- electricity consumption has been estimated for seven stores based on electricity consumed in similar sized stores in comparable locations. This estimate relates to 9% of the total electricity consumed from the grid and including in the Scope 2 emissions calculations; and
- we have made estimates in relation to refrigerant use in the air-conditioning systems of our stores.

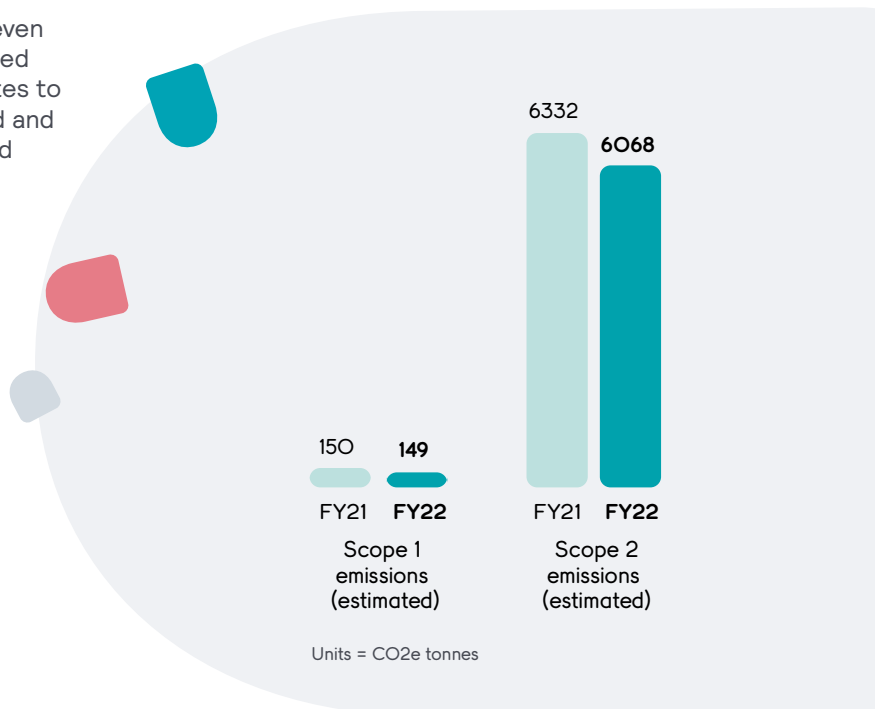
- Renewable Energy usage increased to be 11% of electricity used in FY2022 (up from 0% in FY2021)
- Scope 2 emissions reduced by 4% on FY2021 levels
- Our reductions in scope 2 emissions were achieved at a time when our store network in Australia grew by 4 new stores

The vast majority of our emissions come from grid electricity used in our stores and Distribution Centre, and our calculations of these emissions have been based on electricity consumed (except as noted above). While these figures have been prepared having regard to actual usage data (where available), no assurance has been conducted in relation to these amounts.

Supporting and expanding product stewardship initiatives

Everyone who imports, designs, produces and sells products, and everyone who uses and disposes of products, has a shared responsibility to reduce the environmental and human health and safety impacts of those products. Product stewardship involves the safe and environmentally sound management of products and materials over their lifetime, including at the end of their useful life.

Baby Bunting believes strongly that it has a major role to play in the circular economy, helping to reduce the environmental impact of its products and packaging, with a particular emphasis on 'reduce/reuse/recycle'. We are reviewing our products and packaging use right across our range.



Our planet continued

Product stewardship schemes

We have adopted a goal of having product stewardship schemes in place covering our hard goods category by 2030.

Hard goods include bulky items such as prams and strollers, car seats and capsules, cots and furniture as well as high chairs. For safety reasons, these products are usually produced using a combination of hard durable plastics and metals.

Baby Bunting is part of a group working towards the establishment of a product stewardship scheme, to be known as SeatCare, to facilitate the appropriate end-of-life treatment of car seats. This group consists of a number of brand owners and retailers and we are working to have the scheme established in the near future.

SeatSmart in New Zealand

In New Zealand, we are participating in SeatSmart, a scheme for recycling used children's car seats. This scheme allows people to return used and end-of-life car seats to a participating store, with the car seat then dismantled and recyclable materials diverted from landfill. For our New Zealand customers, we will pay the costs associated with returning a car seat. To encourage as many end-of-life car seats to be handled by the scheme, we will be subsidising the cost for car seats that are returned to our Baby Bunting stores (even though they were purchased somewhere else).

Our move to phase out plastic bags for customers will see us using 100% reusable and recyclable paper bags.

This change will mean we will avoid using around 100,000 plastic bags in the coming year in Western Australia, and even more as we roll this out around Australia.

Other waste and packaging initiatives

We are also committed to working through a range of other initiatives to minimise our impact on the planet, including:

- continuing to work to reduce the packaging used in the products we sell;
- finding more sustainable approaches to in-store packaging;
- working to reduce the packaging used for transporting our goods, including plastic pallet wrapping and related cardboard use; and
- being a signatory to the Australian Packaging Covenant Organisation. Elimination of plastic shopping bags in our stores

We are committed to reducing and eliminating the use of plastics bags in stores. After the end of the year, we have commenced withdrawing plastic bags for our customers from our stores in Western Australia. We have replaced these plastic bags with paper bags that are made from a minimum of 40% recycled paper and are 100% reusable and 100% recyclable.

We will be extending this across all of our stores in Australia and New Zealand during the 2023 financial year.

Key initiatives for FY2023

- elimination of plastic bags in stores for customers
- introducing a sustainable solution for packaging and hangers for our apparel range, to reduce the use of single use plastics and to increase the proportion of packaging that is reused or recycled
- expanding current trials that are targeting increased recycling of shrink wrap and low density polyethylene (LDPE) which is often used to wrap products when they are delivered to stores. To date, the trial stores have achieved a 5% increase in their waste diversion since implementation.

Waste in our stores

Baby Bunting's operations produces solid waste; no liquid wastes are produced. Our waste streams are made up on general waste (eg non-recyclable wastes) and recyclables.

During the year, 35.9% of our waste was diverted from landfill. Waste produced in our operations was 2,038.15 tonnes. From the total, 733.21 tonnes were diverted from landfill into recycling.

We continue to explore ways in which to increase the diversion of waste away from landfill.

Reducing our paper use in catalogues

During the year we adjusted our approach to our marketing catalogues. While our promotional calendar stayed the same, through changing the way we use paper catalogues we were able to reduce the number of printed pages in our catalogues. When compared with FY2021, we save around 130.5 million paper pages.

E-waste initiatives

During the year, we partnered with EraseIT who assist with the responsible disposal of decommissioned IT assets. Materials from Baby Bunting's decommissioned IT assets are recycled or salvaged for spare parts, or disposed of according to environmentally-sensitive processes.

At the Store Support Centre printer cartridges are recycled by Planet Ark.

A battery recycling program is also in place to ensure that used batteries are disposed of appropriately at the Store Support Centre.

Modern Slavery

Baby Bunting is committed to working toward the elimination of risks of modern slavery in its supply chain and operations.

Our 2022 Modern Slavery Statement is available on our website and should be read in conjunction with this report.

We import a proportion of our products from countries with a heightened risk of modern slavery and other types of coerced labour, as well as environmental risks. We are determined to ensure that our suppliers share our commitment to a high level of sustainability performance, and we have an Ethical Sourcing Code which we expect all suppliers to adhere to. The Code sets out our expectations of supplier standards and behaviours, including respect for human rights and the environment.

Ethical sourcing procedures – review of tier-1 factories

By the end of FY2022, Baby Bunting had assessed 144 tier-1 factories under Baby Bunting's ethical sourcing procedures, which included reviewing independent audit reports for each of these factories. An additional 48 tier-1 factories were part way through ethical sourcing assessments, at the end of FY2022.

Together these tier-1 factories related to around 80% of Baby Bunting's suppliers for goods for re-sale.



Instances of non-compliance identified

During FY2022, four instances of non-compliance were identified through Baby Bunting's audit program. These consisted of:

- three separate factories in China exceeding the maximum permitted overtime hours for a month;
- a non-compliance due to an outdoor drinking fountain for employees not being covered by a structure.

Each factory has implemented a corrective action plan to address the non-compliance issues. External audits have occurred, or will shortly occur, to confirm that these actions have been undertaken.

During FY2021, no instances of non-compliance were identified. Baby Bunting considers that increasing identification of non-compliance issues through the external audit program is useful as it enables further opportunities to consider and seek to remedy practices that are inconsistent with its ethical sourcing procedures and objectives.

GRI content index

Indicator code	Description	Boundaries	Location or link
GRI Universal Disclosures			
102-1	Name of the organisation	Inside the Company	Baby Bunting Group Limited
102-2	Activities, brands, products and services	Inside the Company	<p>Baby Bunting is Australia's largest specialty retailer of maternity and baby goods, primarily catering to parents with children from newborn to three years of age and parents-to-be.</p> <p>The Company's principal product categories include prams, cots, and nursery furniture, car safety, toys, babywear, feeding, nappies, manchester and associated accessories. Baby Bunting also provides services that are complementary to the products it sells, including car seat installation and car seat hire services.</p> <p><i>See the 2022 Annual Report (dated 12 August 2022) for more information.</i></p>
102-3	Location of headquarters	Inside the Company	Dandenong South, Victoria, Australia
102-4	Location of operations	Inside the Company	<p>Baby Bunting's National Distribution Centre and Store Support Centre is located in Dandenong South, Victoria, Australia.</p> <p>Baby Bunting stores are located around Australia.</p> <p>Baby Bunting also sells products to consumers in New Zealand via its website (currently, there are no physical stores in New Zealand).</p>
102-5	Ownership and legal form	Inside the Company	Public listed company, limited by shares, incorporated in Australia under the Corporations Act 2001 (Cth).
102-6	Markets served	Outside the Company	Australia and New Zealand
102-7	Scale of the organisation	Inside the Company	Baby Bunting operates 65 stores throughout Australia, as well as an online store via its Australian website and its New Zealand website.
102-8	Information on employees and other workers	Inside the Company	<p>At the end of the year, Baby Bunting employed 1,536 team members.</p> <p>Female: 1,209. Male: 327.</p> <p>Full time: 502. Part time: 524. Casual: 510.</p> <p>Stores: 1,269. Distribution Centre: 72.</p> <p>Store Support Centre: 195.</p>
102-9	Supply chain	Outside the Company	See <i>Baby Bunting's 2022 Modern Slavery Statement</i> .

Indicator code	Description	Boundaries	Location or link
102-10	Significant changes to the organisation regarding size, structure, ownership and its supply chain	Inside and outside the Company	Nil
102-11	Precautionary principle or approach	Inside and outside the Company	We do not specifically refer to the precautionary principle or approach.
102-12	External developed economic, environmental and social charters	Outside the Company	Baby Bunting is not a member of any such charters.
102-13	Membership of associations (industry) and national or international advocacy – hold position on governance body; provide funding or views membership as strategic		Baby Bunting is a member of: The Australian Retail Association Infant Nursery Product Alliance of Australia
102-14	Statement from senior decision-maker	Inside the Company	<i>See CEO & Managing Director's message on page 2 of this Sustainability Report.</i>
102-16	Values, principles, standards and norms of behaviour	Inside the Company	<i>See page 30 of the 2022 Annual Report.</i>
102-18	Governance structure	Inside the Company	<i>See the Corporate Governance Statement on pages 23 to 35 of the 2022 Annual Report.</i>
102-40	List of stakeholder groups	Inside the Company	<i>See our approach to sustainability on page 6 of this Sustainability Report.</i>
102-41	Collective bargaining agreements	Inside the Company	Baby Bunting has enterprise agreements in relation to its retail employees and its distribution centre employees.
102-42	Identifying and selecting stakeholders	Inside and outside the Company	<i>See our approach to sustainability on page 6 of this Sustainability Report.</i>
102-43	Approach to stakeholder engagement	Inside and outside the Company	<i>See our approach to sustainability on page 6 of this Sustainability Report.</i>
102-44	Key topics and concerns	Inside and outside the Company	<i>See our approach to sustainability on page 6 of this Sustainability Report.</i>
102-45	Entities included in the consolidated financial statements	Inside the Company	Baby Bunting Group Limited Baby Bunting Pty Ltd Baby Bunting NZ Limited
102-46	Defining report content and topic boundaries	Inside the Company	<i>See our approach to sustainability on page 6 of this Sustainability Report and the topic boundaries in this table.</i>

GRI content index

continued

Indicator code	Description	Boundaries	Location or link
102-47	List of material topics	Inside the Company	See our approach to sustainability on page 6 of this Sustainability Report.
102-48	Restatements of information	Inside the Company	None
102-49	Changes in reporting	Inside the Company	None
102-50	Reporting period	Inside the Company	The financial year ended 26 June 2022. Baby Bunting has adopted a 52 week retail calendar for financial reporting purposes which ended on 26 June 2022.
102-51	Date of most recent report	Inside the Company	2022 Annual Report
102-52	Reporting cycle	Inside the Company	Annually
102-53	Contact point for questions regarding the report	Inside the Company	Corey Lewis Company Secretary enquiries@babybunting.com.au
102-54	Claims of reporting	Inside the Company	See About this report on page 1 of this Sustainability Report.
102-55	GRI content index	Inside the Company	This table
102-56	General assurance	Inside the Company	None

Topic-specific disclosures

Management approach

103-1	Explanation of the material topic and its boundaries	Inside the Company	See main text and this table
103-2	The management approach and its components	Inside the Company	See main text of this report
103-3	Evaluation of the management approach	Inside the Company	See main text of this report

Indicator code	Description	Boundaries	Location or link
Economic performance			
201-1	Direct economic value generated and distributed	Inside and outside the Company	<i>See the Directors' Report and the Financial Statements for the year ended 26 June 2022 contained in the 2022 Annual Report.</i>
201-2	Financial implications and other risks and opportunities due to climate change	Inside and outside the Company	<i>See the Corporate Governance Statement in the 2022 Annual Report.</i>
Market presence			
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Inside the Company	The base rates of pay under Baby Bunting's enterprise agreements exceed the rates of pay provided for in the Modern Awards that would otherwise apply to team members.
Anti-corruption			
205-1	Operations assessed for risks related to corruption	Inside the Company	Baby Bunting has an Anti-Bribery and Corruption Policy. <i>See page 31 of the 2022 Annual Report.</i>
205-2	Communication and training about anti-corruption	Inside the Company	Anti-Bribery and Corruption training is provided to all team members where it is relevant to their role. In FY2022, 328 team members completed Anti-Bribery and Corruption training.
205-3	Confirmed incidents of corruption actions taken	Inside the Company	There were no confirmed incidents of corruption during the reporting period.
Anti-competitive behaviour			
206-1	Anti-competitive behaviour	Inside and outside the Company	There were no legal actions ongoing for sanctions applied to Baby Bunting for anti-competitive behaviour.
Tax			
207-1	Approach to tax	Inside the Company	The Company complies with its tax obligations in each jurisdiction in which it operates (primarily, Australia).
207-2	Tax governance, control and risk management	Inside the Company	The Company has a Tax Risk Management Framework setting out the Company's approach to tax governance, control and risk management.

GRI content index

continued

Indicator code	Description	Boundaries	Location or link
Environment			
Energy			
302-1	Energy consumption within the organisation	Inside the Company	<i>See Reducing the energy intensity of our operations on page 24 of this Sustainability Report.</i>
302-4	Reduction of energy consumption	Inside the Company	Electricity consumption across stores and the Distribution Centre increased 10% over the prior year levels. However, consumption of grid electricity reduced by 4% on FY2021 levels (at a time when the store network increased from 56 stores at the start of FY2021 to 64 stores at the end of FY2022). This was primarily achieved through commencing a program of purchasing green energy.
Emissions			
305-1	Direct (Scope 1) GHG emission	Inside the Company	<i>See Reducing the energy intensity of our operations on page 24 of this Sustainability Report.</i>
305-2	Energy indirect (Scope 2) GHG emission	Inside the Company	<i>See Reducing the energy intensity of our operations on page 24 of this Sustainability Report.</i>
Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	Inside the Company	There were no instances of material non-compliance with environmental laws or regulations during the period.
Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	Outside the Company	New suppliers are assessed having regard to our Ethical Sourcing Procedures, of which environmental considerations are one element. Audits of tier-1 factories will have regard to environmental practices at the site. However, this does not necessarily capture or assess all environmental matters that may exist.
308-2	Negative environmental impacts in the supply chain and actions taken	Outside the Company	We are taking further steps to understand the negative environmental impacts in our supply chain and the actions available.

Indicator code	Description	Boundaries	Location or link
Social			
401-1	New employee hires and employee turnover	Inside the Company	During FY2022: <ul style="list-style-type: none"> • 650 new team members commenced employment with Baby Bunting • 504 team members ceased employment with Baby Bunting.
401-3	Parental leave	Inside the Company	During FY2022, 48 team members commenced parental leave.
Occupational health and safety			
403-1	Occupational health and safety management system	Inside the Company	Baby Bunting has a Safety Management System.
403-2	Types of injury and rates of injury, occupational diseases	Inside the Company	<i>See Safety on page 15 of this Sustainability Report.</i>
403-3	Occupational health services	Inside the Company	<i>See Safety on page 15 of this Sustainability Report.</i>
403-4	Worker participation, consultation, and communication on occupational health and safety	Inside the Company	There are team members who have been appointed as health and safety representatives within specific areas of operations.
403-5	Worker training on occupational health and safety	Inside the Company	<i>See Safety on page 15 of this Sustainability Report.</i>
403-6	Promotion of worker health	Inside the Company	<i>See Safety on page 14 of this Sustainability Report.</i>
403-8	Workers covered by an occupational health and safety management system	Inside the Company	All employees are covered by an occupational health and safety management system.
403-9	Work-related injuries	Inside the Company	<i>See Safety on page 15 of this Sustainability Report.</i>

GRI content index

continued

Indicator code	Description	Boundaries	Location or link
Training and education			
404-1	Average hours of training per year per employee	Inside the Company	<i>See page 10 of this Sustainability Report.</i>
404-2	Programs for upgrading employee skills and employee transition programs	Inside the Company	Team members receive training relevant to their role (eg sales and related training for instore team members) and Baby Bunting provides some leadership training for store team management. Managers (in stores, regions and at the Store Support Centre) receive training on leadership and managerial skills.
404-3	Percentage of employees receiving regular performance and career development reviews	Inside the Company	All team members receive some form of annual performance assessment.
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Inside the Company	<i>See Diversity on page 19 of this Sustainability Report.</i>
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Inside the Company	There were no instances of discrimination involving formal complaints to external bodies during the year.
Freedom of association and collective bargaining			
407-1	Freedom of association and collective bargaining	Inside the Company	In Australia, employees are entitled to join unions and to undertake collective bargaining as permitted under the Fair Work Act.
Child labour			
408-1	Operations and suppliers at significant risk of child labour	Inside and outside the Company	<i>See Baby Bunting's 2022 Modern Slavery Statement.</i>
Forced or compulsory labour			
409-1	Operations and suppliers at significant risk for incidents of forced and compulsory labour	Inside and outside the Company	<i>See Baby Bunting's 2022 Modern Slavery Statement.</i>

Indicator code	Description	Boundaries	Location or link
Human rights assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Inside the Company	<i>No Baby Bunting operations have been subject to external assessment for human rights.</i>
412-2	Employee training on human rights policies or procedures	Inside the Company	<i>Baby Bunting has training on modern slavery matters.</i>
412-3	Significant investment agreements and contracts that include human rights clauses or underwent human rights screening	Inside the Company	<i>There are no significant investment agreements or contracts that include human rights clauses.</i>
Customer health and safety			
416-1	Assessment of the health and safety impacts of product and service categories	Inside and outside the Company	<i>See Product safety on page 20 of this Sustainability Report.</i>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Inside and outside the Company	<p>From time to time, recalls of products sold at Baby Bunting can be conducted (by either Baby Bunting or the relevant supplier of the product) where it appears that the product fails to comply with applicable product safety standards or otherwise poses a risk of harm to health of children or others.</p> <p>During FY2022, one product recall was undertaken of products sold at Baby Bunting. This was not a private label good.</p>
Marketing and labelling			
417-1	Requirements for product and service information and labelling	Outside the Company	<i>See Product safety on page 20 of this Sustainability Report.</i>
Customer privacy			
418-1	Privacy	Inside and outside the Company	<i>See Respecting the Privacy of our customers and partners on page 22 of this Sustainability Report.</i>
Socio-economic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Inside and outside the Company	During FY2022, we did not identify any instances of non-compliance with laws and regulations in the social and economic area.

SASB content index




Indicator code	Description	Boundaries	Location or link
SASB – Consumer Goods Industry – Multiline and Speciality Retailers and Distributors sub-industry			
ACCOUNTING METRICS			
Environment			
CG-MR-130a.1	Energy management in retail and distribution	(1) Total energy consumer, (2) percentage grid electricity, (3) percentage renewable	For FY2022: <ul style="list-style-type: none"> • 8,460,806 kWh of electricity consumed (estimate) • 89% of this electricity was grid electricity • 11% of this electricity was renewable. Refer to page 25 for details of the basis upon which energy consumption has been calculated.
Social capital			
CG-MR-230a.1	Data security	Description of approach taken to identifying and addressing data security risks	See <i>Respecting the Privacy of our customers and partners</i> on page 22 of this Sustainability Report.
CG-MR-230a.2		(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	See <i>Respecting the Privacy of our customers and partners</i> on page 22 of this Sustainability Report.
Human capital			
CG-MR-310a.1	Labour practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage by region	The base rates of pay provided to retail and distribution centre team members is higher than the base rates of pay provided in the relevant industry modern award.
CG-MR-310a.2		(1) Voluntary and (2) involuntary turnover rate for in-store employees	During FY2022: <ul style="list-style-type: none"> • 496 store team members voluntarily ceased employment; and • 8 store team members involuntarily ceased employment.
CG-MR-310a.3		Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Nil

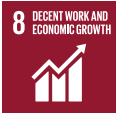

Indicator code	Description	Boundaries	Location or link
CG-MR-330a.1	Employee engagement, diversity and inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	At the end of FY2022: <ul style="list-style-type: none"> • 79% of all team members were female • 58% of all Area Managers/Regional Managers were female • 76% of all Store Managers were female • 25% of senior executives were female • 50% of Non-executive Directors were female. We do not currently gather information on racial / ethnic group representation.
CG-MR-330a.2		Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Nil
CG-MR-130a.1	Product sourcing packaging and marketing	Revenue from products third-party certified to environmental and/ or social sustainability standards	Not currently measured.
CG-MR-130a.1		Discussion of processes to assess and manage risk and/ or hazards associated with chemicals in products	Baby Bunting has processes to ensure that goods purchased for re-sale comply with the applicable Australian mandatory standards in respect of chemicals in products. These processes rely on obtaining independent test reports from accredited third party testing and assurance organisations.
CG-MR-130a.1		Discussion of strategies to reduce the environmental impact of packaging	See Other waste and packaging initiatives on page 26 of this Sustainability Report.

ACTIVITY MEASURES

CG-MR-000.A		Number of: (1) retail locations and (2) distribution centres	At the end of FY2022: <ul style="list-style-type: none"> • Baby Bunting had 64 retail stores around Australia (66 shortly after the end of the financial year) (refer to page 14 of the 2022 Annual Report) • One distribution centre located at Dandenong South, Victoria and a distribution centre located at Wiri (Auckland), New Zealand.
CG-MR-000.B		Total area of: (1) retail space and (2) distribution centres	<ul style="list-style-type: none"> • Total area of retail space is approximately 97,000 sqm • Total area of the Distribution Centre is approximately 27,000 sqm.

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SDG	SDG Description	Target	Baby Bunting Contribution to SDG Relevant Sustainability Section	
	Ensure Inclusive And Equitable Quality Education And Promote Lifelong Learning Opportunities For All	4.3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	<ul style="list-style-type: none"> • Our People <ul style="list-style-type: none"> – Training – Paid Parental Leave – Safety • Employee satisfaction and wellbeing • Diversity • Role of the board • Ensuring the right behavior
		4.5	By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	
	Achieve Gender Equality And Empower All Girls	5.1	End all forms of discrimination against all women and girls everywhere	
		5.2	Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	
		5.4	Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate	
		5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	
	Ensure Access To Affordable, Reliable, Sustainable And Modern Energy For All	7.2	By 2030, increase substantially the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> • Our planet <ul style="list-style-type: none"> – Reducing the energy intensity of our operations
		7.3	By 2030, double the global rate of improvement in energy efficiency	

SDG	SDG Description	Target	Baby Bunting Contribution to SDG
			Relevant Sustainability Section
	Promote Sustained Inclusive And Sustainable Economic Growth, Full And Productive Employment And Decent Work for All	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the Ten Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	<ul style="list-style-type: none"> • Our planet <ul style="list-style-type: none"> – Reducing the energy intensity of our operations
		8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> • Diversity • Employee satisfaction and wellbeing
		8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	<ul style="list-style-type: none"> • Modern slavery
		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
	Reduce Inequality Within And Among Countries	10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	<ul style="list-style-type: none"> • Ensuring the right behaviors • Diversity • Training
		10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<ul style="list-style-type: none"> • Employee satisfaction and wellbeing
		10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	
		10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	

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continued

SDG	SDG Description	Target	Baby Bunting Contribution to SDG	
			Relevant Sustainability Section	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	By 2030, Substantially Reduce Waste Generation Through Prevention, Reduction, Recycling And Re-Use	12.2	By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> • Our planet <ul style="list-style-type: none"> – Reducing the energy intensity of our operations • Product Stewardship • Modern Slavery
		12.4	By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	
		12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	
		12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	
		12.7	Promote public procurement practices that are sustainable, in accordance with national policies and priorities	
		12.8	By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	
 <p>13 CLIMATE ACTION</p>	Take Urgent Action To Combat Climate Change And Its Impacts	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	
		13.2	Integrate climate change measures into national policies, strategies and planning	

SDG	SDG Description	Target	Baby Bunting Contribution to SDG	
			Relevant Sustainability Section	
	Promote Peaceful And Inclusive Societies For Sustainable Development, Provide Access To Justice For All And Build Effective, Accountable And Inclusive Institutions At All Levels	16.2	End abuse, exploitation, trafficking and all forms of violence against and torture of children	<ul style="list-style-type: none"> • Modern Slavery • Role of the board • Ensuring the right behavior • Respecting the privacy of our customers and partners
		16.5	Substantially reduce corruption and bribery in all their forms	
		16.6	Develop effective, accountable and transparent institutions at all levels	
		16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels	
		16.1	Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	
	Strengthen The Means Of Implementation And Revitalize The Global Partnership For Sustainable Development	17.14	Enhance policy coherence for sustainable development	<ul style="list-style-type: none"> • Our Stakeholders

