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ASX Market Announcements Office  
Australian Securities Exchange

**Baby Bunting Group Limited (ASX: BBN)**

## **2023 Sustainability Report**

Baby Bunting Group Limited is pleased to release its 2023 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 2023





# 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 is headquartered in Melbourne. It was established as a family-owned business in 1979 and became 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, layby, click & collect and hire services.

As an omnichannel retailer, Baby Bunting operates 70 large format retail stores in Australia and its Australian online store (available at [babybunting.com.au](http://babybunting.com.au)) is the leading website for baby goods in Australia. Since 2022, Baby Bunting also offers its products to customers in New Zealand through its online store ([babybunting.co.nz](http://babybunting.co.nz)) and its physical store in Albany (with more stores to come in the coming years).

# About this report

This Sustainability Report provides details of our approach to material issues in respect to ESG matters and a summary of our sustainability performance for the financial year ended 2 July 2023.

This report has been prepared with reference to the Global Reporting Initiative's (GRI) 2021 Standards 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 that are most material to our business and our stakeholders.

In this report, we also provide information relating to the extent to which our sustainability practices contribute to the United Nations (UN) Sustainable Development Goals (SDGs). The SDGs 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 SDGs.

We have included an SDG Index to link our associated sustainability management practices to the SDGs 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 2023 Annual Report. For enquiries, please email: [enquiries@babybunting.com.au](mailto:enquiries@babybunting.com.au)

Supporting new and expectant parents during the early years of parenthood

## Contents

- 2 About Baby Bunting
- 2 About this report
- 3 Chair's message
- 4 Our approach to sustainability
- 6 Our ESG strategy
- 8 Our people
- 14 Our community
- 18 Our planet
- 22 Responsible Business Practices
- 24 GRI/SASB content index
- 36 UNSDG content index



# Chair's message

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.

We continue to work to supply high quality products, services and advice in a manner that limits the impact on the environment, while creating sustainable value for our stakeholders and communities.

The 2023 financial year was marked by a series of significant events. We opened our first store in New Zealand and successfully launched Baby Bunting's marketplace which enables third-party sellers to offer a curated product range on [babybunting.com.au](http://babybunting.com.au). A planned succession process was announced in February 2023 which saw Matt Spencer stepping down as CEO in June after more than 11 years and Mark Teperson being appointed as CEO, commencing in October 2023.

Trading conditions were volatile during the year, which saw impacts to gross profit margin in the first quarter, as well as difficult retail trading conditions in the second half with consumer sentiment turning negative as cost of living pressures became more prominent in the final quarter.

Starting a family or caring for young children can be costly and, accordingly, parents and carers can be particularly affected by increasing inflation and rising costs. Baby Bunting has a range of price points and offers a range of every day items at entry-level pricing to help parents and carers lower the cost of parenting. We have also expanded our support for our communities, including funds raised for our charity partners along with an increased amount of in-kind contributions to assist families in the communities in which we operate.

In terms of the environmental impacts of our operations, we have reduced our estimated scope 2 emissions by 6% on FY2022 levels, even though our store network grew during FY2023. We now source approximately 21% of our electricity for our Australian stores from renewable sources (up from 11% in FY2022). Our aim is to increase the proportion of renewable sourced electricity in future periods.

We have made progress in terms of reducing plastics from our supply chain, including the replacement of plastic shopping bags with recyclable paper bags and a significant reduction in the amount of plastics used in our online fulfilment operations. This progress has been led by our store operations and our supply chain teams and I express my gratitude for their efforts.

In New Zealand, we are working with the SeatSmart car seat recycling program to increase the number of end-of-life car seats that are returned and diverted from landfill. Baby Bunting is subsidising the costs for customers to help accelerate this program in New Zealand. Product stewardship schemes remain a focus for Baby Bunting, noting that these schemes generally require the participation of a number of industry participants to improve sustainable practises.

In the year ahead, we will be working on further improving our operations in a way that assists in contributing to sustainable outcomes and that supports our three pillars.

I would like to thank our team members, our suppliers and other partners for their efforts during the year as they help us provide important support in the communities in which we operate. In these more challenging times, I'm grateful to the Baby Bunting team for their ongoing focus to find ways to make our operations more sustainable.

**Melanie Wilson**  
Chair  
Baby Bunting

**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.

# Our approach to sustainability

In 2022, Baby Bunting embarked on a process to improve how we assess and report on our sustainability and we continued on this journey in 2023. We are committed to improve our sustainability performance and to report 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
<b>Customers</b>	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.
<b>Team members</b>	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, exit surveys, and internal listening sessions.
<b>Shareholders</b>	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.
<b>Communities</b>	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, including 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.
<b>Suppliers and manufacturers</b>	Our suppliers provide the products that we make available to our customers so preserving these critical relationships by engagement and communication is vital.	Our merchandise 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.
<b>Regulators</b>	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 important to Baby Bunting;
- the topics that investors and the ESG rating agencies consider material to Baby Bunting;
- the topics 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, which include stakeholder inclusiveness, sustainability context, materiality and completeness.

Topics identified as material for Baby Bunting are as follows:

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

# 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.

Goal	Target	FY2023 Achievement	Trend and Sustainable Development Goal
<b>OUR PEOPLE</b>			
<b>Safety:</b> Our Lost Time Injury Frequency Rate (LTIFR) to be below 7 by 2025.	For FY2023, we were targeting a rolling 12-month LTIFR of less than 10.  We define a lost time injury to be any injury that results in a team member being unable to attend a future rostered shift.	In FY2023, our target was not achieved. Rolling 12-month LTIFR at the end of the year was 11.33.  In FY2022, we achieved this as LTIFR was 8.44.  In FY2021, we achieved this as LTIFR was 9.98.	Declined
<b>Gender equality:</b> At least 40% women across all levels of Baby Bunting by 2030.	Our gender diversity goals for FY2023 were: <ul style="list-style-type: none"> <li>• that women and men comprise at least 40% each on the Board by 2025;</li> <li>• that at least one third of the senior executives be women in the medium term; and</li> <li>• that at least 50% of the Area Managers and Regional Managers be women in the medium term.</li> </ul>	In FY2023, our gender diversity was as follows: <ul style="list-style-type: none"> <li>• Women comprise 50% of the Non-executive Directors.</li> <li>• Women make up 20% of Senior Executives.</li> <li>• Women make up 83% of all Store Manager positions.</li> <li>• Women make up 58% of all Regional/Area Manager positions.</li> </ul>	Steady    
<b>Share ownership:</b> 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.  Around 44% of our team members are shareholders and we want that number to grow.	Declined
<b>Training:</b> On average, every team member to complete at least 15 hours of training each year.	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.	In total, there were 7,705 hours of structured training recorded (5,110 hours in FY2022).  In this metric we measure specific skills and/or knowledge training delivered to team members (ie it excludes hands-on training that team members receive as part of their induction for a new role, etc).	Steady  



- Renewable energy usage increased to be 21% of electricity used in Australian stores (up from 11% in FY2022)
- Scope 2 emissions reduced by 6% on FY2022 levels

Goal	Target	FY2023 Achievement	Trend and Sustainable Development Goal
<b>COMMUNITY</b>			
<p><b>Helping parents who need support:</b></p> <p>To raise a total of \$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 FY2023, we contributed \$1,059,000 to support the communities in which we work (up from \$695,000 in FY2022).</p> <p>We raised \$551,000 to support Life's Little Treasures Foundation and a further \$287,000 to support PANDA.</p> <p>We provided around \$221,000 of in-kind support that helped a number of parents in need and organisations that support them.</p>	<p>Our cumulative total during the 2021–2023 period is \$2,014,000 – and we will be working hard to hit our long term goal.</p>
<b>PLANET</b>			
<p><b>Energy:</b></p> <p>100% renewable energy by 2031 for sites we control.</p>	<p>For FY2023, we committed to obtain around 25% of our electricity requirements for our stores and National Distribution Centre from renewable sources.</p>	<p>For our Australian store network, around 21% of the electricity consumed at sites we control came from renewable energy (up from 11% in FY2022).</p>	<p>Improved</p>  
<p><b>Climate change action:</b></p> <p>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 big goal and will work very hard to achieve it.</p>	<p>In Australia, we reduced our scope 2 emissions by 6% from FY2022, in a year when our Australian store network grew by 6 stores (and with 4 stores opened part way through FY2022).</p>	<p>Commenced</p>  
<p><b>Product stewardship:</b></p> <p>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 the recycling and appropriate disposal of products. Baby hard goods – eg car seats, prams and cots – are designed to provide safety and protection for 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>In Australia, Baby Bunting participated in a trial of a car seat recycling scheme, conducted by SeatCare. This trial meant that useful data could be collected in relation to the operation and economics of a take back scheme.</p> <p>In New Zealand, we participate in the product stewardship scheme known as SeatSmart. Consumers are able to return end-of-life car seats at stores for processing to ensure as much as possible of the seat is diverted from landfill and into recyclings. Baby Bunting subsidises the costs for consumers to participate in this scheme.</p>	<p>Improved</p> 

# Our people



Baby Bunting employs around 1680 people across its operations in Australia and New Zealand.

Baby Bunting employs around 1,660 people across Australia, primarily in our 70 stores but also in our Distribution Centre and Store Support Centre.

In August 2022, we opened our first New Zealand store and we have plans to open further stores in New Zealand in the year ahead. We have also commissioned a distribution centre in Auckland. There are currently around 16 team members in New Zealand.

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

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.

We want to build the best team in every possible way.



We are committed to supporting our team members and ensuring we provide a safe and inclusive workplace where our people can thrive.

### Training

Our team members completed more than 7,705 hours (FY2022: 5,110 hours) of structured training during FY2023. The training covered topics such as consumer law, privacy, 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 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 as they start and care for their families.

Baby Bunting's paid parental leave policy provides permanent 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, being the person 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. We also offer generous product discounts and access to free car seat installations for our team members.

During FY2023:

- 53 team members commenced paid parental leave; and
- over three-quarters of team members who ended their parental leave returned to work (some on part time arrangements).

### Safety, Health and Wellbeing

The safety, health and wellbeing of our team members and customers is our number one priority. Our goal is to make sure that everyone arrives home safely and well after working, shopping or visiting us, and free from any kind of harm or injury.

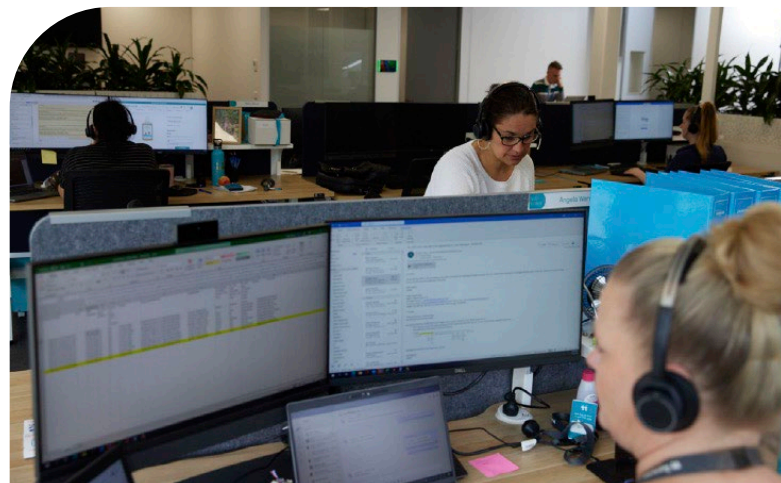
We recognise that supporting the health and safety of our team is not just about physical wellbeing, but also about achieving positive mental health and wellbeing outcomes.

Baby Bunting has a Safety Management System that sets out the responsibility within Baby Bunting relating to safety matters. It includes safe work practices, risk assessments, in-store and site checklists and reviews along with reporting requirements. The system also includes local, regional and national safety committees.

### Measuring our safety performance

We measure safety performance using the Lost Time Injury Frequency Rate (LTIFR). LTIFR is the number of injuries that results in a team member being certified unfit (no work capacity) for work, for a future scheduled shift, per million hours worked.

The rolling 12-month LTIFR at the end of FY2023 was 11.33 (FY2022: 8.44). During FY2023, there were 21 individual lost time injuries.





# Our people continued

## Lost Time Injuries

	FY2021	FY2022	FY2023
Rolling 12 month Lost Time Injury Frequency Rate (LTIFR)	9.98	8.44	11.33
Individual Lost Time Injuries (LTIs)	16	13	21

The LTIFR for FY2023 increased year-on-year and reversed a trend of declining annual LTIFR. The lost-time injuries that occurred in FY2023 generally had low severity and resulted in short term incapacity for work.

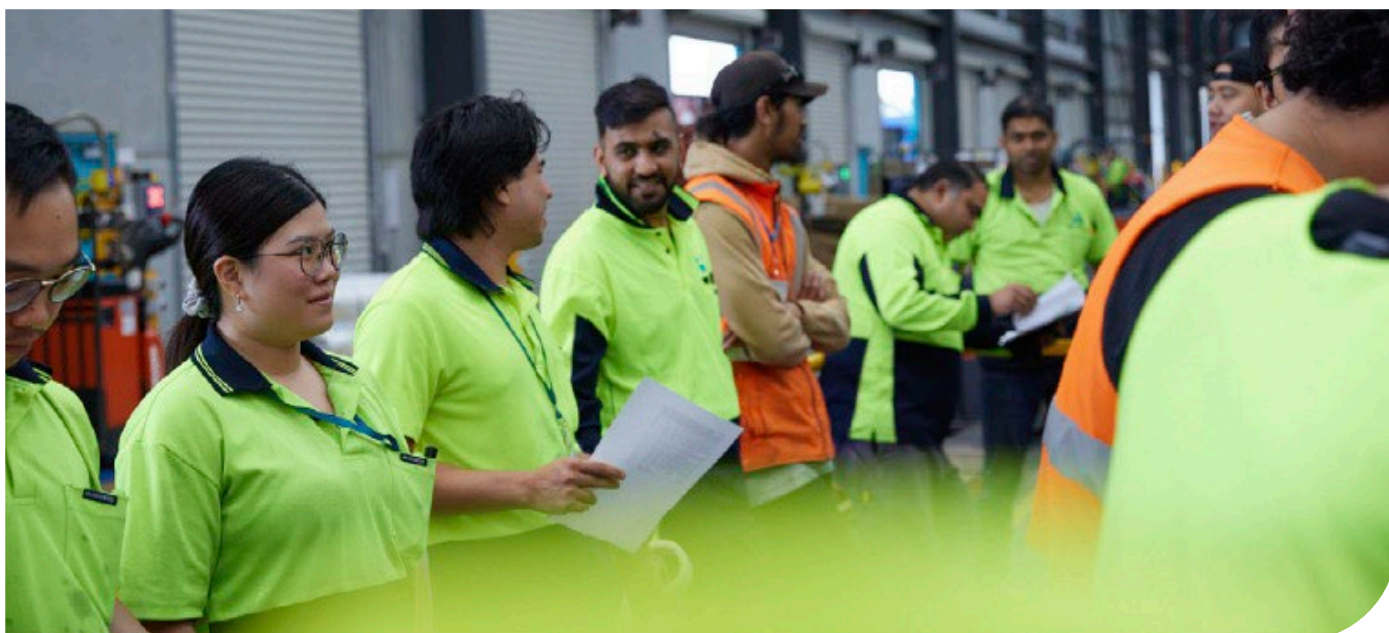
### Ongoing focus on safety

We expanded the injury management program to support the return to work for team members that have been injured or ill outside of work or that have required support at work during post-surgery recovery.

As a retailer of a wide range of maternity and baby goods, our stores contain a large number of heavy, bulky or awkwardly shaped items such as strollers, car seats and capsules, cots, drawers and other furniture. In our Distribution Centre, we use reach trucks to store and retrieve heavy pallets bearing multiple items; large delivery trucks come and go all day long.

During FY2023, we commenced a program of work to re-examine our role in the Chain of Responsibility relating to heavy vehicle transport and the delivery of goods. Working with both internal and external key stakeholders, we launched our Chain of Responsibility Safety Governance Standards. This initiative educated site leadership and team members to ensure that they can confidently discharge their duties in accordance with the Chain of Responsibility regulations.

Baby Bunting continues to foster an environment where safety is viewed beyond the risk of physical harm, building a psychologically safe workplace where our team members feel comfortable to speak up if they are not feeling well from either a physical or mental health stigma. This is encouraged through everyday conversations of care across our stores and distribution centres, as well as acknowledging days of significance, such as RUOK Day.





## Employee satisfaction and wellbeing

We understand that 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.

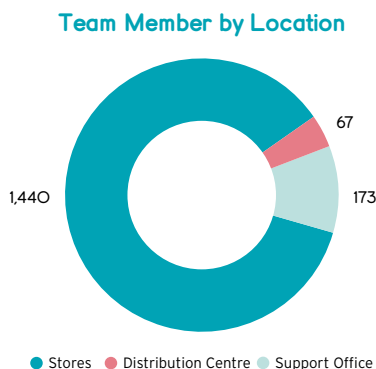
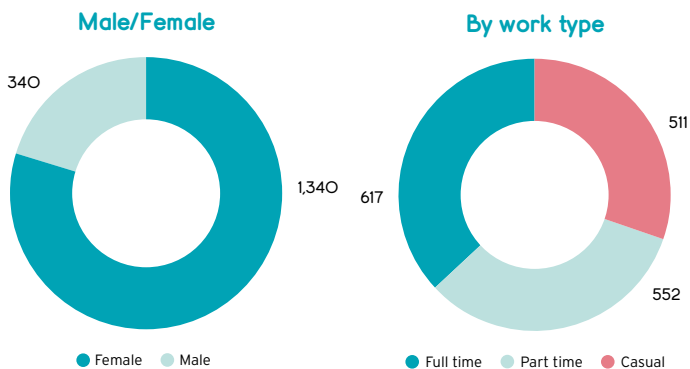
We have a number of measures in place to make Baby Bunting more attractive to potential employees, including parents, as a place to work.

Our Paid Parental Leave policy supports our team members who are caring for new members of their family.

We also want to make it as easy as possible for any team member to return to their role after their parental leave ends (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 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; and
- 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.



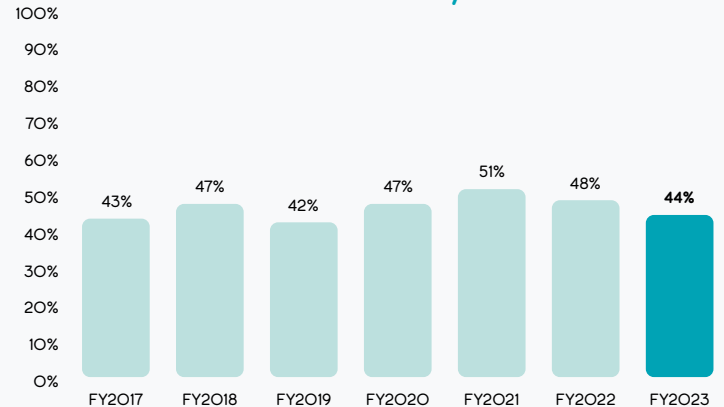
## Encouraging employee share ownership

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

In FY2023, Baby Bunting offered \$1,000 worth of shares (which was 354 shares at the time), free to eligible team members. At the end of FY2023, around 44% of 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.

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



### General Employee Share Plan Offers

- 8 offers across each year since 2015
- 2,913 shares provided to team members who have participated in all 8 offers

# Our people continued

## Training

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.

The average rates of training for FY2023 were:

Role	Average tracked training hours
Area Manager	18
Store Manager	13
Store team member	3
Other Managers	9
Store Support Centre team member	5

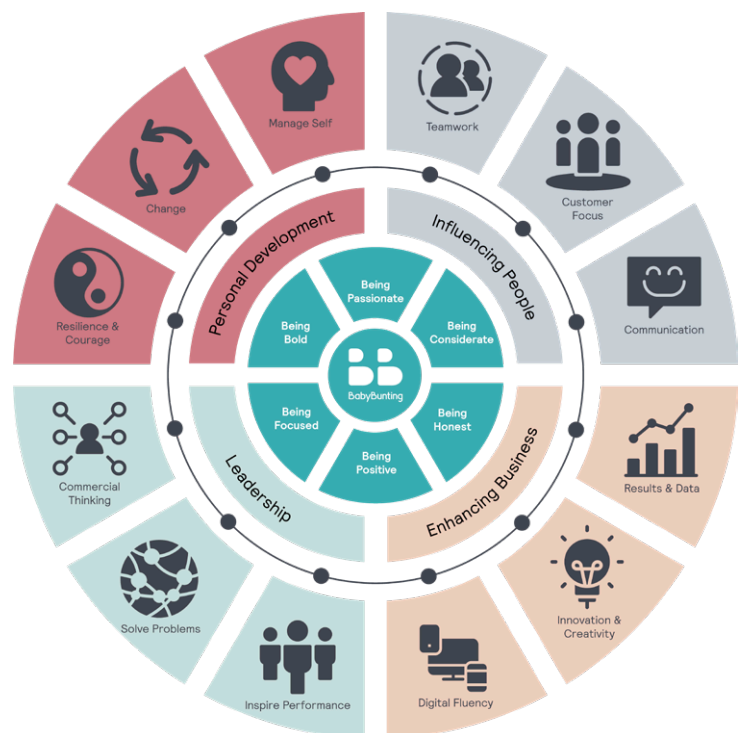
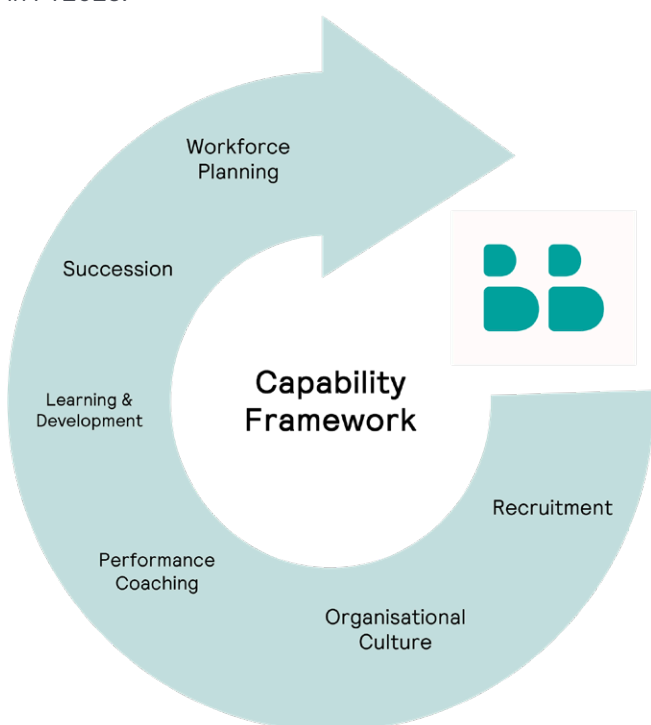
These training hours reflect the hours of training that is recorded in our human resources management system. The system records training in the categories of compliance, core skills (relating to operational and business matters), qualification and accreditation (relating to first aid or car seat restraint training) and soft skills training.

The hours reported for FY2023 are generally lower than the average hours recorded for FY2022 (although the total recorded training hours are up). The lower average number can, in part, be attributed to more team members undertaking refresher training on some topics (which are generally shorter in nature), having undertaken the initial training on a topic in FY2022.

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.

## Capability framework

To help our team members grow and develop at Baby Bunting we introduced our Capabilities Framework in FY2023.



The Capability 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 Baby Bunting's values at the heart of our framework.

In addition to the structured training referred to above, training occurs through workplace seminars and briefing sessions (on new developments and compliance matters). We have also made available a learning platform aggregator that provides team members with access to thousands of learning courses and resources. These courses cover a range of leadership, behavioural skills, communication and IT courses and team members are encouraged to undertake specific courses as part of their own development goals.

Over time, we want to ensure that 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 store or in other parts of the business). Our Capability Framework is a key part of this.

In FY2024, 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.

## Diversity

We believe that diverse teams perform better and it is important to us that our team members reflect the broader communities in which we operate.

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

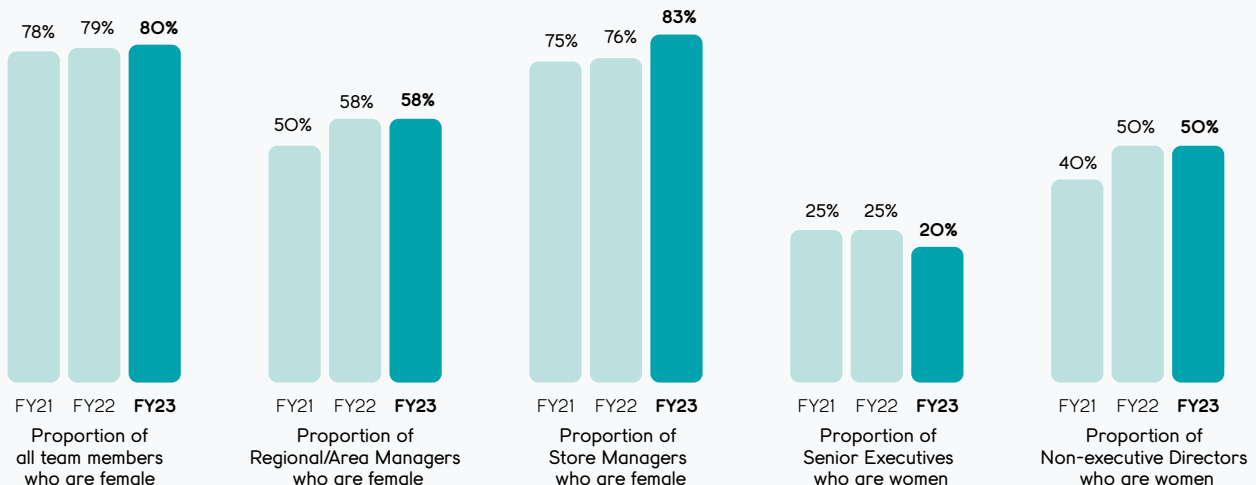
The majority of our team members are women, noting that the proportions vary across different parts of Baby Bunting (see graph). We have a goal for women to make up at least 40% of our team across all levels by 2030.

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, we want to provide greater opportunity for a broader range of people to obtain employment with Baby Bunting. Baby Bunting currently operates 71 stores across Australia and New Zealand, and we have plans for more than 120 stores in our network. As part of that expansion, we want to identify opportunities for expanding employment opportunities to a broader range of candidates in the coming years.

We also recognise that people from neurodiverse backgrounds have skills to offer Baby Bunting and we believe we can provide fulfilling employment for neurodiverse people.

### Gender Balance (End FY2023)



# 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 that 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.

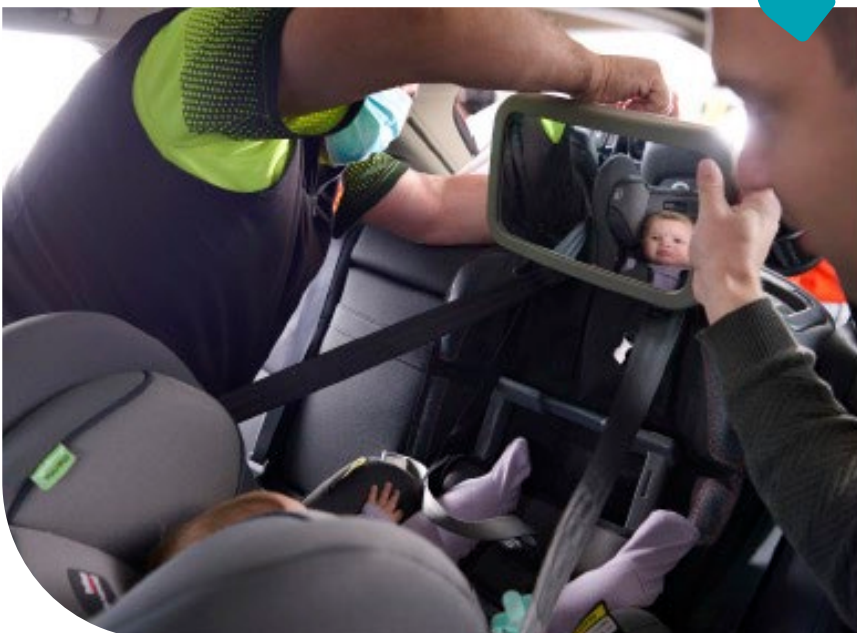
## Product safety

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 applicable mandatory product safety standards or, where there is no relevant Australian or New Zealand mandatory or voluntary standard, comparable European or US safety standards.

During the year, we expanded our product requirement materials available to suppliers to clearly set out Baby Bunting's requirements in relation to products and the testing requirements applicable to those products. These requirements cover a broad range of categories and go well beyond the applicable mandatory standards. This is to seek to ensure that the first party products available at Baby Bunting are safe and of a high standard.

In the year ahead, we will be focused on providing additional training to our suppliers to assist them to know and understand their obligations for product safety and ways in which they can improve their own practices.







### Infant & Nursery Product Alliance of Australia (INPAA)

Baby Bunting partners with The Infant and Nursery Products Alliance of Australia (INPAA), a leading industry body that drives the development of safety standards that extend safety requirements for a number of products. Of significant note is the work being undertaken in infant sleep safety. By raising awareness in respect of creating and using a safe sleep environment, this assists in the work to reduce infant injury associated with infant sleep.

Baby Bunting is a major contributor to the industry's Baby Safety Month, an initiative designed to give parents and carers greater confidence and ability to correctly use baby products. The last campaign, held in November 2022, had a focus on car restraint safety and Baby Bunting was able to provide a range of educational materials that became a significant part of communications and tools that were made available to parents. As a Program Partner in the Baby Safety Month, Baby Bunting makes a strong commitment to reducing preventable injuries and the promotion of safety awareness.

Our advocacy in the nursery industry is an important means of keeping our customers and suppliers up to date with the latest learnings. The relationship made through our activities with INPAA gives our team members and suppliers support in the sale of safe products.



# 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 FY2023 in Australia was 72 – the same result as FY2022 – 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 obligation to respect it and to secure it from unauthorised access or disclosure. We have a privacy policy that explains the circumstances in which we collect, hold and use personal information.

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 seek to ensure our partners providing software services agree to our high standards of conduct and practices and agree to comply with privacy laws and principles when handling personal information.

We have training in place to ensure our team understand that they must treat our customers' personal information appropriately and that 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. There were no reportable data breaches during FY2023.

We are monitoring the changes to the Privacy Act 1988 (Cth) proposed by the Australian government which may come into effect later in 2023 or in 2024.

## Making a positive impact in the communities in which we operate

Baby Bunting wants to support parents right through their journey and 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:



life's little treasures  
foundation

Life's Little Treasures Foundation supports the families of sick and premature babies. We have been supporters for seven years as the presenting partner for the foundation's major fundraising event, Walk for Prems. In FY2023, through the contributions of our customers, team and partners, we were able to raise \$551,000 (up from \$304,000 in FY2022) for Life's Little Treasures Foundation.



**PANDA**  
Perinatal Anxiety &  
Depression Australia

We are an active supporter of PANDA. PANDA offers information, services, support and counselling for parents experiencing perinatal anxiety and depression. In FY2023, through the wonderful support of our customers and team we helped raise \$287,000 for PANDA (this is in line with the same amount raised in the prior year).

We also provided around \$221,000 of in-kind product support to organisations to assist parents in need (up from \$55,000 in FY2022).

We donated a car seat and provided other support to assist a family whose baby was born in Ukraine two days before Russia invaded.

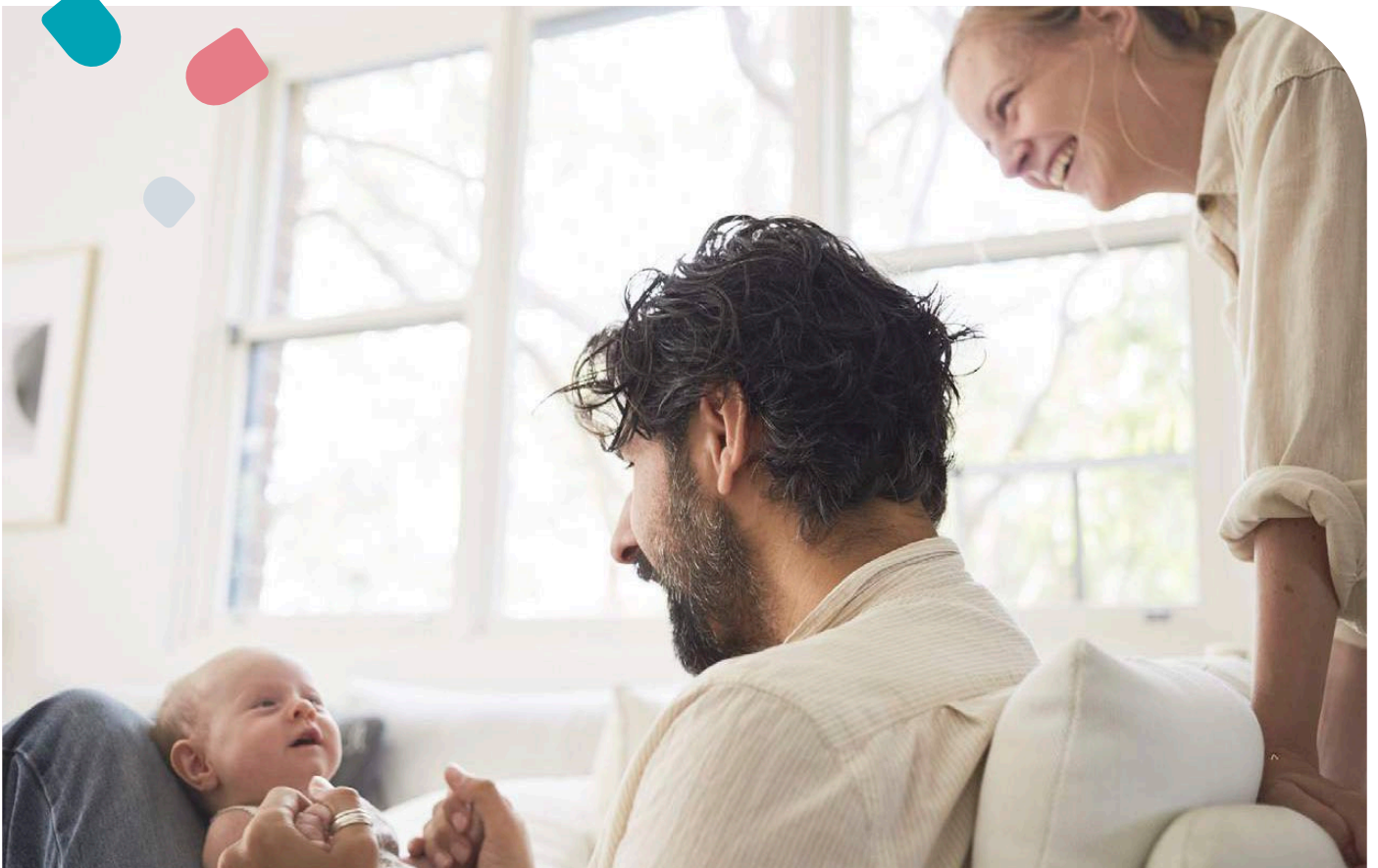
The baby's Melbourne parents raced to Ukraine to meet their daughter born via surrogate. They were able to evacuate their newborn child safely out of Ukraine to start their life in Australia.

We made available support to a Melbourne family when their 6 month old and 3 year old were both admitted to the Royal Children's Hospital suffering from RSV. Their parents needed to take unpaid leave to support their children while they were very sick with RSV.

We provided nursery equipment to the Emergency Department at the Royal North Shore Hospital, to assist frontline emergency staff when returning from parental leave.

We provided a range of goods to families affected by tragedy, including devastating house fires or where a parent had fallen sick at a time when they had very young children.

These opportunities to provide support arise through our store network and we provide practical support with products where we can.



# 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 plastic packaging.

## Reducing the energy intensity of our operations

For a large format retailer like Baby Bunting, one of our largest potential environmental 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 largest site is our National Distribution Centre and Store Support Centre located in Dandenong South, Victoria which 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. There are also electric vehicle charging stations made available for our team members in order to support their use of their own electric vehicles to travel to work.

We are working towards sourcing all of our controllable electricity requirements from renewable sources by 2031. We obtain around 21% of our electricity requirements for our Australian stores from renewable sources. Electricity costs are a significant cost for the business, but we will be working to expand our use of electricity from renewable sources in future years.

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.

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.

Our energy use and emissions for FY2023 were as follows.





### Energy consumption

Energy consumed across our Australian business, all sources (grid electricity, gas and petrol in vehicles): 35,597 GJ (FY2022: 32,223 GJ).

Utilisation was: 74% (FY2022: 84%) from grid electricity, 20% from green energy (FY2022: 11%), 5% (FY2022: 5%) from petrol and 1% (FY2022: 1%) from gas use (one store).

We started FY2023 with 64 stores and opened 6 stores in Australia during the financial year.

- Renewable Energy usage in our Australian store operations increased to be 21% of electricity used (up from 11% in FY2022)
- Scope 2 emissions in Australia reduced by 6% on FY2022 levels
- Our reductions in scope 2 emissions were achieved at a time when our store network in Australia grew by 6 new stores

### Emissions

Our carbon emissions during FY2023 were as follows:

- Scope 1: 167 tonnes (FY2022: 149 tonnes) CO<sub>2</sub>e
- Scope 2: 5,723 tonnes (FY2022: 6,068) tonnes CO<sub>2</sub>e
- Scope 3: No figures are available for Scope 3 at this time.

In preparing the above calculations, it is noted that:

- electricity consumption has been estimated for eleven stores based on electricity consumed in similar sized stores in comparable locations. This estimate relates to 13% of the total electricity consumed from the grid and including in the Scope 2 emissions calculations; and
- we have made some estimates in relation to refrigerant use in the air-conditioning systems of our stores.

The vast majority of our emissions come from grid electricity used in our stores, Support Office 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.



# Our planet continued

## 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 impact on the environment, human health and safety 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 strongly believes that it has a major role to play in the circular economy in 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 use of packaging right across our range.

### 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.

During the year, we supported a trial of car seat recycling at our Store Support Centre, as part of a broader effort by SeatCare undertaken around Australia. The trial helped SeatCare better understand the costs and requirements associated with an Australia-wide car seat take back scheme with the findings to be used by the industry to better determine how to design an industry-led car seat product stewardship scheme.

### 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. We cover the full cost of seats that were purchased from Baby Bunting and subsidise others that are returned to a Baby Bunting store.

## Other waste and packaging initiatives

We are also committed to working through a range of other initiatives to limit our impact on the planet, which are described below.

### Online fulfilment operations

Our online fulfilment activities support the dispatch of goods to customers who have purchased orders online. This often involves packaging the goods to ensure that they are protected as they are being transported from our Distribution Centre to the customer.

### Key changes made in FY2023 include:

- In our online fulfilment activities (packaging and sending goods to our customers who have made an online purchase), we have ceased using plastic bubble wrap and we are now using honeycomb paper. We estimate that this has eliminated the equivalent of 7,000 kms of bubble wrap from our operations.
- We have moved to using 100% recycled cartons in Australia for our customer orders and these are printed with water-based ink to minimise the environmental impact of our packaging.
- We are now using paper tape to seal cartons (in place of plastic tape). Paper tape is recyclable and we think this will see the elimination of around 1 million metres of plastic tape from our online fulfilment operations.

## Our store operations

We had a goal for FY2023 to eliminate plastic bags for customers in our Australian stores and this has been achieved. (When we opened our first New Zealand store, we did it on the basis that we would not make plastic bags available.)

If customers wish to use a bag when visiting our Australian stores, we have paper bags available. The paper bags are made from 40% recycled paper and are fully recyclable. On an annual basis, we estimate that this will see the elimination of around 900,000 plastic bags from our Australian stores.

We have been working towards a sustainable solution for packaging and hangers for our apparel range. We will shortly be introducing cardboard-based clothes hangers for our range of private label apparel and we are working with our suppliers on other sustainable solutions.

## Waste in our stores and Store Support Centre

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

Waste produced in our Australian operations was 2,086 tonnes (FY22: 2,038 tonnes, noting 4 new stores opened part way through FY2022 and a further 6 stores have opened in FY2023). Of the total, 775 tonnes (FY2022: 733 tonnes) were diverted from landfill into recycling.

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

At our Store Support Centre we split our waste streams into landfill and recycling streams.

## E-waste initiatives

We engage in 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.



*An example of cardboard-based clothes hangers that will be introduced for some of Baby Bunting's Bilbi range in the year ahead.*



# Responsible Business Practices

The Board takes its responsibilities to Baby Bunting's team members, customers, suppliers, communities and the environment seriously. Through its oversight of Baby Bunting'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 Baby Bunting's operations, including ESG risk management.

The Board seeks to ensure that ESG considerations are viewed in key aspects of Baby Bunting's strategy, including when setting budgets and specifying 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 2023 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 most of these policies are available at [investors.babybunting.com.au](https://investors.babybunting.com.au)

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 and no whistleblower reports that were within the scope of the Whistleblower Protection Policy were received.

## Whistleblower Protection Policy

Key aspects of Baby Bunting's Whistleblower Policy is set out below:

- Team Members can report concerns to their manager or other officer.
- A confidential Whistleblower Hotline service is also available (via phone, email, website) where 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.

## 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 also set 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 adherence to Baby Bunting's 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 FY2023 the Chief Executive Officer 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 2023 Remuneration Report (which is part of the 2023 Annual Report).



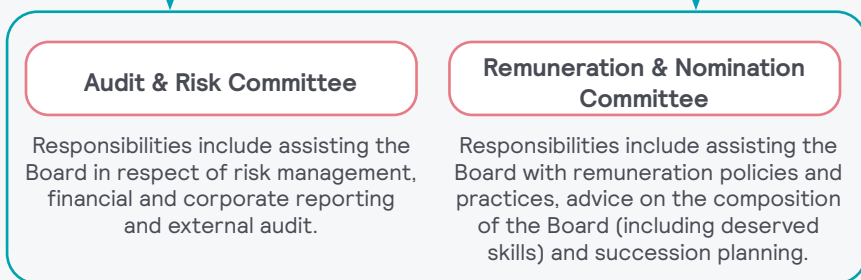
The **Company's Constitution** sets out the rights of shareholders and the manner in which Directors are to be elected and how the company is to be governed.

**Shareholders**

**The Board**

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

**Information on ESG matters** flows up to the Board and its Committees, with the Board exercising oversight of matters that relate to sustainability aspects of the Company's business, operations and future strategies.



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.**

**Audit & Risk Committee**  
Responsibilities include assisting the Board in respect of risk management, financial and corporate reporting and external audit.

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

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

**Chief Executive Officer**

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

**Executive Leadership Team**

**Baby Bunting Team Members**

## Modern Slavery

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

Our 2023 Modern Slavery Statement is available on our investor website ([investors.babybunting.com.au](http://investors.babybunting.com.au)) 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. Accordingly, we recently introduced a new Ethical Sourcing Code which we expect all of our 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 FY2023, Baby Bunting had assessed 208 tier-1 factories under Baby Bunting's ethical sourcing procedures, which included reviewing independent audit reports for each of these factories. An additional 45 tier-1 factories were part way through ethical sourcing assessments, at the end of FY2023.

Together these tier-1 factories related to around 90% of Baby Bunting's suppliers for goods for re-sale.

### Instances of non-compliance identified

During FY2023, three instances of non-compliance were identified through Baby Bunting's audit program. These consisted of:

- employees in an injection workshop at a factory in China were not wearing the required earplugs;
- a factory in China exceeded the maximum permitted overtime hours for a month; and
- some assembly workers at a factory in China were wearing dust masks rather than activated carbon masks in the assembly workshop.

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

Increasing the identification of non-compliance issues through the external audit program gives Baby Bunting the opportunity to consider and seek to remedy practices that are inconsistent with its ethical sourcing procedures and objectives.

# GRI/SASB index

**Statement of Use:** Baby Bunting Group Limited has reported the information cited in this GRI content index for the period 27 June 2022 to 2 July 2023 with reference to the GRI Standards (2021).

Disclosure	Location
<b>GRI 1: Foundation 2021</b>	
<b>GRI 1: Foundation 2021</b>	This report has been prepared in line with the principles for defining report content and quality, including undertaking a materiality assessment.
<b>GRI 2: General Disclosures 2021</b>	
<b>2-1 Organisational details</b>	<p>Name: Baby Bunting Group Limited.</p> <p>Location of headquarters: Dandenong South, Victoria, Australia.</p> <p>Location of operations: Baby Bunting's National Distribution Centre and Store Support Centre is located in Dandenong South, Victoria, Australia. Baby Bunting stores are located in all states and territories of Australia except for the Northern Territory. Baby Bunting also sells products to consumers in New Zealand via its website (currently, there are no physical stores in New Zealand).</p> <p>Ownership and legal form: Publicly listed company, limited by shares, incorporated in Australia under the Corporations Act 2001 (Cth).</p>
<b>2-2 Entities included in the organisation's sustainability reporting</b>	<p>Baby Bunting Group Limited</p> <p>Baby Bunting Pty Ltd – the Australian operating company</p> <p>Baby Bunting NZ Limited – the New Zealand operating company</p>
<b>2-3 Reporting period, frequency and contact point</b>	<p>Reporting period: The financial year ended 2 July 2023. Baby Bunting has adopted a 53 week retail calendar for financial reporting purposes which ended on 2 July 2023.</p> <p>Frequency: Annually.</p> <p>Contact point: Corey Lewis – Company Secretary: enquiries@babybunting.com.au.</p>
<b>2-4 Restatements of information</b>	No restatements.
<b>2-5 External assurance</b>	None.
<b>2-6 Activities, value chain and other business relationships</b>	<p>Brand and products: 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 hire services.</p> <p>See the 2023 Annual Report (dated 11 August 2022) for more information.</p> <p>Markets served: Australia and New Zealand.</p> <p>Scale of organisation: Baby Bunting operates 70 stores throughout Australia, as well as an online store via its Australian website. It operates one physical store in New Zealand and an online store via its New Zealand website.</p> <p>Supply chain: See Baby Bunting's 2023 Modern Slavery Statement.</p>
<b>2-7 Employees</b>	<p>At the end of FY2023, Baby Bunting employed approximately 1,680 team members.</p> <p>Female: 1,340. Male: 340.</p> <p>Full time: 511. Part time: 552. Casual: 617.</p> <p>Stores: 1,440. Distribution Centre: 67. Store Support Centre: 173.</p>

Disclosure	Location
<b>2-8 Workers who are not employees</b>	<p>See page 9 of the 2023 Modern Slavery Statement.</p> <p>We engage service providers to make available dedicated staff to work in the areas of IT integration services, customer care and product onboarding operations. Currently, there is a small number of individuals in these roles.</p> <p>Baby Bunting engages a small number of contractors, primarily for short-term or ad hoc roles, in the Distribution Centre. These contractors are made available to Baby Bunting via arrangements with labour hire firms. The numbers vary, but generally around 50 roles in the Distribution Centre are performed by contractors provided via labour hire firms.</p>
<b>2-9 Governance structure and composition</b>	<p>Values: See page 23 of the 2023 Annual Report.</p> <p>Governance: See Responsible Business Practices on pages 22 and 23 of this report.</p>
<b>2-10 Nomination and selection of the highest governance body</b>	<p>See Responsible Business Practices on pages 22 and 23 of this report.</p> <p>Directors are elected by shareholders at the Annual General Meeting of Baby Bunting Group Limited. Once elected, a director can serve for three years before being required to seek re-election.</p> <p>For further information on the Board and the nomination processes, refer to the Corporate Governance Statement that starts on page 15 of the 2023 Annual Report.</p>
<b>2-11 Chair of the highest governance body</b>	<p>The Chair of the Board, Melanie Wilson, is an independent non-executive director. She is not an executive of Baby Bunting.</p> <p>See pages 12 and 13 of the 2023 Annual Report for information on Baby Bunting's current directors.</p>
<b>2-12 Role of the highest governance body in overseeing the management of impacts</b>	<p>The role of the Board includes supervising the management of Baby Bunting.</p> <p>See Role of the Board on page 22 of this report.</p>
<b>2-13 Delegation of responsibility for managing impacts</b>	<p>The Board has adopted a Delegation of Authority Policy, that sets out in detail the authority that has been delegated to the Chief Executive Officer and other executives and team members.</p> <p>See pages 16 and 17 of the 2023 Annual Report.</p>
<b>2-14 Role of the highest governance body in sustainability reporting</b>	<p>See Role of the Board on page 22 of this report.</p>
<b>2-15 Conflicts of interest</b>	<p>See page 24 of the Corporate Governance Statement in the 2023 Annual Report.</p>
<b>2-16 Communication of critical concerns</b>	<p>Baby Bunting has a Whistleblower Protections Policy (see page 22 of this report). There were no protected disclosure reports, for the purpose of the Whistleblower Protections Policy, received during the year.</p>
<b>2-17 Collective knowledge of the highest governance body</b>	<p>The Board receives general information about sustainability matters as part of its efforts to maintain its awareness of current material issues.</p>
<b>2-18 Evaluation of the performance of the highest governance body</b>	<p>The Board monitors the overall performance of Baby Bunting including the management of its impacts on the economy, environment and people.</p> <p>No independent evaluations were undertaken during the year.</p>
<b>2-19 Remuneration policies</b>	<p>See the Remuneration Report on pages 47 to 67 of the 2023 Annual Report.</p>
<b>2-20 Process to determine remuneration</b>	<p>See the Remuneration Report on pages 47 to 67 of the 2023 Annual Report.</p>

Disclosure	Location
2-21 Annual total compensation ratio	See the Remuneration Report on pages 47 to 67 of the 2023 Annual Report. Note that there is no disclosure on ratios of total annual compensation in the Remuneration Report.
2-22 Statement on sustainable development strategy	See Chair's message on page 3 of this report.
2-23 Policy commitments	Precautionary principle or approach: We do not specifically refer to the precautionary principle or approach.
2-24 Embedding policy commitments	Baby Bunting seeks to embed its policy commitments for responsible business conduct: <ul style="list-style-type: none"> <li>• in its Code of Conduct and the workplace policies its has adopted, and through training associated with those policies; and</li> <li>• in the terms of contracts it seeks to negotiate with its suppliers.</li> </ul>
2-25 Processes to remediate negative impacts	Baby Bunting has a customer complaints handling process. It also participates in industry groups on topics relevant to its operations, including product safety matters.
2-26 Mechanisms for seeking advice and raising concerns	See Responsible Business Practices on pages 22 and 23 of this report. Baby Bunting has a Whistleblower Protection Policy and team members are encouraged to report concerns identified in the business.
2-27 Compliance with laws and regulations	See Responsible Business Practices on pages 22 and 23 of this report.
2-28 Membership associations	Baby Bunting is a member of: <ul style="list-style-type: none"> <li>• The Australian Retail Association; and</li> <li>• Infant Nursery Product Alliance of Australia.</li> </ul>
2-29 Approach to stakeholder engagement	See our approach to sustainability on page 4 of this report.
2-30 Collective bargaining agreements	Team members in the National Distribution Centre are covered by the Baby Bunting Distribution Centre (DC) Enterprise Agreement. This covers around 53 team members. Team members employed to work in the Australian store network are covered by the Baby Bunting Retail Enterprise Agreement. This covers around 1,400 team members.
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	See our approach to sustainability on page 5 of this report and the topic boundaries in this table.
3-2 List of material topics	See our approach to sustainability on page 5 of this report.
3-3 Management of material topics	See main text of this report.



Disclosure	Location
<b>GRI 201: Economic Performance 2016</b>	
201-1 Direct economic value generated and distributed	See the Directors' Report and the Financial Statements for the year ended 2 July 2023 contained in the 2023 Annual Report.
201-2 Financial implications and other risks and opportunities due to climate change	See the Corporate Governance Statement in the 2023 Annual Report.
201-3 Defined benefit plan obligations and other retirement plans	Baby Bunting does not have a defined benefits retirement plan. Australian team members participate in compulsory superannuation schemes. New Zealand team members participate in retirement savings schemes.
201-4 Financial assistance received from government	Baby Bunting has not received any financial assistance from governments during FY2023.
<b>GRI 202: Market Presence 2016</b>	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The base rates of pay under Baby Bunting's enterprise agreements exceed the base rates of pay provided for in the Australian Modern Awards that would otherwise apply to our Australian team members.
202-2 Proportion of senior management hired from the local community	Baby Bunting's senior management are all based in Australia. Baby Bunting employs a Regional Manager for New Zealand, who is a New Zealand citizen based in that country.
<b>GRI 203: Indirect Economic Impacts 2016</b>	
203-1 Infrastructure investments and services supported	This is not applicable.
203-2 Significant indirect economic impacts	This is not applicable.
<b>GRI 204: Procurement Practices 2016</b>	
204-1 Proportion of spending on local suppliers	See Baby Bunting's 2023 Modern Slavery Statement for information on Baby Bunting's supply chains and the countries of origin where it sources goods for resale.
<b>GRI 205: Anti-corruption 2016</b>	
205-1 Operations assessed for risks related to corruption	Baby Bunting has an Anti-Bribery and Corruption Policy. See page 24 of the 2023 Annual Report.
205-2 Communication and training about anti-corruption policies and procedures	Anti-Bribery and Corruption training is provided to all team members where it is relevant to their role. In FY2023, 563 team members completed Anti-Bribery and Corruption training.
205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.
<b>GRI 206: Anti-competitive Behaviour 2016</b>	
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There were no legal actions ongoing for sanctions applied to Baby Bunting for anti-competitive behaviour.

# GRI/SASB index

## continued

Disclosure	Location
<b>GRI 207: Tax 2019</b>	
207-1 Approach to tax	<p>Tax strategy: Baby Bunting has a Tax Risk Management Framework setting out Baby Bunting's approach to tax governance, control and risk management.</p> <p>Governance: See the respective role of the Audit &amp; Risk Committee and the Board on page 22 of this report.</p> <p>Regulatory compliance: Baby Bunting complies with its tax obligations in each jurisdiction in which it operates (primarily, Australia).</p>
207-2 Tax governance, control, and risk management	Baby Bunting has a Tax Risk Management Framework setting out Baby Bunting's approach to tax governance, control and risk management.
207-3 Stakeholder engagement and management of concerns related to tax	Baby Bunting seeks to comply with its taxation obligations in the countries in which it operates.
207-4 Country-by-country reporting	Baby Bunting pays all required taxes in the jurisdictions in which it operates, including income tax, GST and payroll tax. Baby Bunting currently operates only in Australia and New Zealand.
<b>GRI 301: Materials 2016</b>	
301-1 Materials used by weight or volume	This information is currently not measured.
301-2 Recycled input materials used	This information is currently not measured.
301-3 Reclaimed products and their packaging materials	This information is currently not measured.
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organisation	See Reducing the energy intensity of our operations on pages 18 and 19 of this report.
302-2 Energy consumption outside of the organisation	This information is not currently measured.
302-3 Energy intensity	See pages 18 and 19 of this report.
302-4 Reduction of energy consumption	<p>Electricity consumption across Baby Bunting's Australian stores and the Distribution Centre increased 6% over the prior financial year's level.</p> <p>However, consumption of grid electricity reduced from 89% of total grid power to 79% of total grid power (at a time when the Australian store network increased from 64 stores at the start of FY2023 to 70 stores at the end of FY2023).</p> <p>This was primarily achieved through commencing a program of purchasing green energy.</p>
302-5 Reductions in energy requirements of products and services	See page 19 of this report.

Disclosure	Location
<b>GRI 303: Water and Effluents 2018</b>	
303-1 Interactions with water as a shared resource	Baby Bunting's operations do not involve consumption of significant amounts of water.
303-2 Management of water discharge-related impacts	
303-3 Water withdrawal	
303-4 Water discharge	
303-5 Water consumption	
<b>GRI 304: Biodiversity 2016</b>	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	This requirement is not applicable to Baby Bunting's operations. Baby Bunting's stores, support office and distribution centres are not in, or adjacent to, protected areas of high biodiversity value.
304-2 Significant impacts of activities, products and services on biodiversity	
304-3 Habitats protected or restored	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
<b>GRI 305: Emissions 2016</b>	
305-1 Direct (Scope 1) GHG emissions	See Reducing the energy intensity of our operations on pages 18 and 19 of this report.
305-2 Energy indirect (Scope 2) GHG emissions	See Reducing the energy intensity of our operations on pages 18 and 19 of this report.
305-3 Other indirect (Scope 3) GHG emissions	Baby Bunting does not currently measure scope 3 emissions.
305-4 GHG emissions intensity	See pages 18 and 19 of this report.
305-5 Reduction of GHG emissions	See pages 18 and 19 of this report.
305-6 Emissions of ozone-depleting substances (ODS)	Baby Bunting does not currently measure emissions of ODS.
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Baby Bunting's operations do not involve those types of emissions in any material respect.

# GRI/SASB index

## continued

Disclosure	Location
<b>GRI 306: Waste 2020</b>	
306-1 Waste generation and significant waste-related impacts	See Waste in our stores and Store Support Centre on pages 20 and 21 of this report.
306-2 Management of significant waste-related impacts	
306-3 Waste generated	
306-4 Waste diverted from disposal	
306-5 Waste directed to disposal	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	New suppliers are assessed having regard to our Ethical Sourcing Procedures, of which environmental considerations are one element. Audits of tier-1 factories have regard to environmental practices at the relevant 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	We are taking further steps to understand the negative environmental impacts in our supply chain and the actions available to us to reduce the environmental impact of our operations.
<b>GRI 401: Employment 2016</b>	
401-1 New employee hires and employee turnover	During FY2023: <ul style="list-style-type: none"> <li>• 781 new team members commenced employment with Baby Bunting; and</li> <li>• 583 team members ceased employment with Baby Bunting.</li> </ul>
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Full-time team members do not receive benefits that are not otherwise available to part-time team members.
401-3 Parental leave	During FY2023, 53 team members commenced parental leave. Over three-quarters of the team members who were on parental leave during the year, returned to work (some on part time arrangements) at the end of their parental leave.
<b>GRI 402: Labour/Management Relations 2016</b>	
402-1 Minimum notice periods regarding operational changes	Minimum time periods for consultation on operational changes are not specified in Baby Bunting's enterprise bargaining agreements.



Disclosure	Location
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-1 Occupational health and safety management system	Baby Bunting has a Safety Management System.
403-2 Hazard identification, risk assessment, and incident investigation	See Safety on pages 9 and 10 of this report.
403-3 Occupational health services	See Safety on pages 9 and 10 of this report.
403-4 Worker participation, consultation, and communication on occupational health and safety	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	See Safety on pages 9 and 10 of this report.
403-6 Promotion of worker health	See Safety on pages 9 and 10 of this report.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See Safety on pages 9 and 10 of this report.
403-8 Workers covered by an occupational health and safety management system	All employees are covered by an occupational health and safety management system.
403-9 Work-related injuries	See Safety on page 10 of this report.
403-10 Work-related ill health	See Safety on page 10 of this report.
<b>GRI 404: Training and Education 2016</b>	
404-1 Average hours of training per year per employee	See page 12 of this report.
404-2 Programs for upgrading employee skills and transition assistance programs	Team members receive training relevant to their role (eg sales and related training for instore team members) and Baby Bunting provides 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	All team members receive an annual performance assessment. Career development is available to team members and Baby Bunting has developed a capability framework to assist team members to continue to develop and pursue career advancement. See pages 12 and 13 of this report.

# GRI/SASB index

## continued

Disclosure	Location
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	See Diversity on page 16 of this report.
405-2 Ratio of basic salary and remuneration of women to men	Information about Baby Bunting's gender pay gap (including median and percentile pay gaps) will be published in future periods.
<b>GRI 406: Non-discrimination 2016</b>	
406-1 Incidents of discrimination and corrective actions taken	During FY2023 there has been one instance of a team member making a complaint to a state-based discrimination tribunal in relation to the team member's work arrangements. At the time of this report, a formal conciliation process is ongoing.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In both Australia and New Zealand, employees are entitled to join unions and to undertake collective bargaining as permitted under applicable employment law.
<b>GRI 408: Child Labour 2016</b>	
408-1 Operations and suppliers at significant risk for incidents of child labour	See Baby Bunting's 2023 Modern Slavery Statement.
<b>GRI 409: Forced or Compulsory Labour 2016</b>	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	See Baby Bunting's 2023 Modern Slavery Statement.
<b>GRI 410: Security Practices 2016</b>	
410-1 Security personnel trained in human rights policies or procedures	This is not applicable to Baby Bunting's operations.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	
411-1 Incidents of violations involving rights of indigenous peoples	There have been no reported incidents.
<b>GRI 413: Local Communities 2016</b>	
413-1 Operations with local community engagement, impact assessments, and development programs	These reporting requirements are not considered relevant for Baby Bunting's operations, being a retailer operating in established retail precincts and shopping centres.
413-2 Operations with significant actual and potential negative impacts on local communities	

Disclosure	Location
<b>GRI 414: Supplier Social Assessment 2016</b>	
414-1 New suppliers that were screened using social criteria	See Baby Bunting's 2023 Modern Slavery Statement.
414-2 Negative social impacts in the supply chain and actions taken	See Baby Bunting's 2023 Modern Slavery Statement.
<b>GRI 415: Public Policy 2016</b>	
415-1 Political contributions	Baby Bunting did not make any political contributions during FY2023. Baby Bunting's Anti-Bribery and Corruption Policy provides that Baby Bunting's Board may choose to make donations to political parties. However, Baby Bunting has not made any political contributions or donations during any period in which it has been a listed company.
<b>GRI 416: Customer Health and Safety 2016</b>	
416-1 Assessment of the health and safety impacts of product and service categories	See Product safety on pages 14 and 15 of this report.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<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 FY2023, five product recalls were undertaken of products sold at Baby Bunting. None of these were Baby Bunting private label products.</p>
<b>GRI 417: Marketing and Labelling 2016</b>	
417-1 Requirements for product and service information and labelling	See Product safety on page 14 of this report.
417-2 Incidents of non-compliance concerning product and service information and labelling	Baby Bunting has processes and procedures in place to ensure that its marketing materials and communications comply with applicable laws and are not misleading and deceptive.
417-3 Incidents of non-compliance concerning marketing communications	<p>There were no material incidents of non-compliance during the reporting period.</p> <p>During FY2023, an issue was raised in respect to a product being offered for sale in-store and online. Baby Bunting conducted a review of the relevant product information to ensure that product images and descriptions are aligned with industry guidelines relating to safe sleeping products.</p>
<b>GRI 418: Customer Privacy 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>See Respecting the privacy of our customers and partners on page 16 of this report.</p> <p>There were no instances of reportable data breaches during the period.</p>

### 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	<p>For FY2023 in Australian stores:</p> <ul style="list-style-type: none"> <li>• 9,289,111 kWh of electricity consumed (estimate)</li> <li>• 79% of this electricity was grid electricity</li> <li>• 21% of this electricity was renewable</li> </ul> <p>Refer to page 19 for details of the basis upon which energy consumption has been calculated.</p>
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##### Social capital

CG-MR-230a.1	Data security	Description of approach taken to identifying and addressing data security risks	See Respecting the Privacy of our customers and partners on page 16 of this report.
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CG-MR-230a.2		(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	See Respecting the Privacy of our customers and partners on page 16 of this report.
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##### 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.
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CG-MR-310a.2		(1) Voluntary and (2) involuntary turnover rate for in-store employees	<p>During FY2023:</p> <ul style="list-style-type: none"> <li>• 501 store team members voluntarily ceased employment; and</li> <li>• 10 store team members involuntarily ceased employment.</li> </ul>
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CG-MR-310a.3		Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Nil
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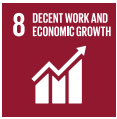

## ACCOUNTING METRICS

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	<p>At the end of FY2023:</p> <ul style="list-style-type: none"> <li>• 80% of all team members were female</li> <li>• 58% of all Area Managers/Regional Managers were female</li> <li>• 83% of all Store Managers were female</li> <li>• 20% of senior executives were female</li> <li>• 50% of Non-executive Directors were female</li> </ul> <p>Baby Bunting does not currently gather information on racial / ethnic group representation.</p>
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 20 of this report.

# UNSDG content index

			Baby Bunting Contribution to SDGs	
SDGs	SDG Description	Target	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"> <li>• Our People               <ul style="list-style-type: none"> <li>– Training</li> <li>– Paid Parental Leave</li> <li>– Safety</li> </ul> </li> <li>• Diversity</li> <li>• Role of the Board</li> <li>• Ensuring the right behavior</li> </ul>
		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	<ul style="list-style-type: none"> <li>• Our People               <ul style="list-style-type: none"> <li>– Paid Parental Leave</li> </ul> </li> <li>• Diversity</li> <li>• Modern Slavery</li> </ul>
		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	Recognise 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"> <li>• Our planet               <ul style="list-style-type: none"> <li>– Reducing the energy intensity of our operations</li> </ul> </li> </ul>
		7.3	By 2030, double the global rate of improvement in energy efficiency	

**Baby Bunting Contribution to SDGs**



SDGs	SDG Description	Target	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"> <li>• Our planet                             <ul style="list-style-type: none"> <li>– Reducing the energy intensity of our operations</li> </ul> </li> </ul>
		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"> <li>• Diversity</li> </ul>
		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"> <li>• Modern Slavery</li> </ul>
		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"> <li>• Ensuring the right behaviors</li> <li>• Diversity</li> <li>• Training</li> </ul>
		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	
		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	

# UNSDG content index

## continued

			Baby Bunting Contribution to SDGs	
SDGs	SDG Description	Target	Relevant Sustainability Section	
	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"> <li>• Our planet               <ul style="list-style-type: none"> <li>– Reducing the energy intensity of our operations</li> </ul> </li> <li>• Product Stewardship</li> <li>• Modern Slavery</li> </ul>
		12.4	By 2020, 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	
		2.6	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	
	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	<ul style="list-style-type: none"> <li>• Our planet               <ul style="list-style-type: none"> <li>– Reducing the energy intensity of our operations</li> </ul> </li> </ul>
		3.2	Integrate climate change measures into national policies, strategies and planning	

## Baby Bunting Contribution to SDGs

SDGs	SDG Description	Target	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"> <li>• Responsible Business Practices</li> <li>• Modern Slavery</li> <li>• Role of the Board</li> <li>• Ensuring the right behavior</li> <li>• Respecting the privacy of our customers and partners</li> </ul>
		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"> <li>• Our Stakeholders</li> </ul>



