



Brand Addition. Sustainability Report.

2022

brand addition.



The world is noisier than ever, and at Brand Addition we are committed to doing our part to contribute to a better world while listening to our clients, our people, our suppliers and our investors.

We are working hard to make the world a better place and we believe that transparency is the best way to demonstrate shared goals. That is why we want to share our sustainability efforts and achievements since the beginning of 2021, as well as our sustainability commitments for the future.



Less waste
More wonder

Highlights



Launch of BA one strategy



800 tons

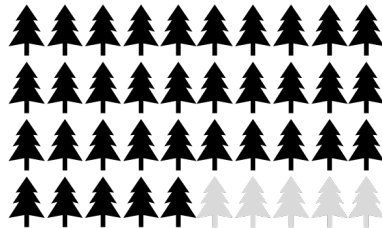
Of CO2 offset



Enhanced our **Wellbeing Initiative**



Introduced our new **Sustainable Product Standard**



3500 trees

Planted in the Amazon in support of Earth Day



Platinum Ecovadis rating awarded for second year in a row



100%

of our European transit packaging can be curbside recycled



Scope 1, 2 & 3

Calculated our scope 1, 2 & 3 emissions



320 hrs

Committed to volunteering in 2022



Expanding our team through appointing **Sustainability Champions**



Launch of **ba.academy**



Brand Addition adapts to the world that we live in while we work hard to influence the world that we want.

Dear valued partners and friends,

Brand Addition began a journey in 2021 to align our company's efforts and resources with the goal of improving the lives and careers of our employees as well as the environment and the communities we live and work in today. This plan, BA.ONE – Sustainability and Growth, is the driving force behind our strategy and is centered on 5 key principles: Leading through sustainability, enhancing existing relationships, attracting new long-term partnerships, focus on efficiencies, and of course, our people. I am excited to share with each of you our first ever Sustainability Report detailing our team's strategy, accomplishments, and future goals. This strategy, matched by our team's execution and supported by ongoing investment, will continue to help Brand Addition adapt to the world that we live in while we work hard to influence the world that we want.

Since this journey began in early 2021, we have invested into growing a team of environmental and sustainability professionals in Europe and the United States. Our team of sustainability managers will help guide our own organization as well as our customers and supplier partners as we seek to build and grow responsible and certified sustainable product ranges across our accounts and regions. Additionally, our team of experts will continue to help us refine our own operation (buildings & processes) to reduce our Scope 1 and Scope 2 emissions, developing our reduction plans and targets in-line with a 'science-based' approach, with the long-term aspiration of achieving Net-Zero emissions by 2050.

Brand Addition is committed to evaluating every aspect of our business to lower our carbon footprint, not only looking at our direct

impact but also considering the indirect (Scope 3) impact through the products we source and the way in which they are delivered to our customers. This year we conducted a detailed evaluation to establish the impact of our indirect emissions. The results of this evaluation provide a foundation to engage with our supply chain to address our Scope 3 emissions and provide the transparency our customers and stakeholders have come to expect. Inside this report we will detail and share the different accreditations we have achieved, as well as the 3rd party resources who have helped us with these important calculations.

Hopefully you will enjoy learning more about our accomplishments to date and how our engagement in ESG (Environmental Social Governance) overall will continue to differentiate Brand Addition within our industry, but also in our communities, and with our customers, suppliers, and shareholders. Thank you for taking the time to review this information. Feel free to reach to us with any questions or comments.

Respectfully,

Karl Whiteside

Group Managing Director



Business Overview

Brand Addition is a **full-scale merchandise agency** that help global brands **build culture, awareness and meaningful connections with their customers**

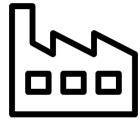
We extend your values in **thoughtful, sustainable, globally conscious** ways to create branded moments that **people love.**



Global Account Management.



Creative Services.



Sourcing & Quality Control.



Supply Chain Compliance.



Webshop Platforms.



Warehousing & Fulfilment.



International Delivery.




Add what matters.
brand addition.

ba.



Global Business.

Part of The Pebble Group plc.

ba.us
St Louis, MO.

ba.ireland
Dublin.

450
Global team

ba.uk
Manchester & London.

ba.germany
Gelsenkirchen.

120
Brands we work with

ba.china
Hong Kong, Shanghai
& Guangzhou.

\$135M
2021 revenue



BA Sustainability

The Launch of our Strategy

ba.one unites us across oceans and continents to build a better, brighter future for our partners, our people and our planet.

In January 2021, we launched ba.one - a strategy designed to unite our offices across oceans and continents with a shared set of sustainability goals that will change our business and our industry for the better.



Leading through sustainability



Product:

Our products are the very core of our business and represent the most visible face of our commitment to sustainability. Through our products, we convey our values and our commitment to using more environmentally and socially friendly materials and processes.



Planet:

Not only do we work to offer the most sustainable products to our customers, but we have put in place ambitious measures to reduce the impact of our business in all its operations: from the implementation of a carbon emissions inventory system, to the plan to convert our locations to renewable energy, the use of carriers that offer carbon neutral shipping options, as well as many other strategies.



People:

Our people are our most valuable asset. We support our employees with sustainable careers in a growing business and extend our values throughout all of our relationships with customers, suppliers, and investors.

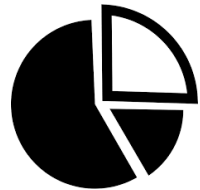
Our Sustainability Goals

In 2021, as part of our ba.ONE strategy, we presented our sustainability goals for 2030. Key initiatives include reducing our carbon footprint, switching to renewable energy in our facilities and minimising the use of plastics in our value chain:

Less waste
More wonder



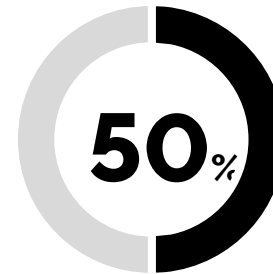
Dedicated sustainability Manager.



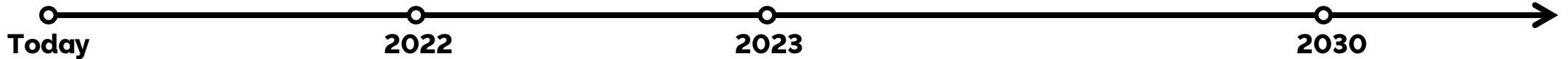
Publish Annual sustainability report starting 2022



Renewable energy in all our sites by 2023.



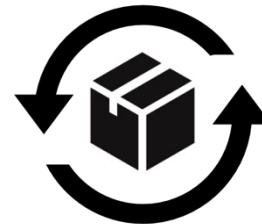
Reduce our Scope 1 and 2 carbon footprint by 50% by 2030.



Reduce the amount of single use plastic within our supply chain.



Carbon neutral logistics and transport by end 2023.
From our European logistics hubs



All packaging recyclable or biodegradable by the end of 2023, in our directly operated logistics centres

ZERO WASTE to landfill by 2030.

Supporting the Goals

The UN Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. Brand Addition is a supporter of these shared goals; committed and taking action in areas key to our business to build a better future.



Ensure sustainable consumption and production patterns.

Our Commitment

Aim to ensure all the products we source, or the vendors we employ to source, prioritise the use of sustainable materials and processes.

Progress to date

- Continued engagement with suppliers to source and develop bespoke sustainable solutions for clients.
- On-going vendor assessments.
- Reductions in plastic packaging materials.



Take urgent action to combat climate change and its impacts.

Our Commitment

To reduce our impact on the environment through carbon reduction initiatives and the employment of sustainable materials and optimised logistics.

Progress to date

- Started transition to renewable electricity.
- Completed full Group emissions assessment.
- Development of bespoke sustainable products and product ranges for clients.
- Internal initiatives to encourage action on climate change.



Conserve and sustainably use the oceans, sea and marine resources for sustainable development.

Our Commitment

To reduce and minimise plastic and marine pollution by aiming to remove single use plastic packaging from our transit packaging and bespoke manufactured products.

Progress to date

- Partnered with suppliers who offer products that support the reduction of single use plastics and the reduction of ocean plastic waste.
- Reduction in the amount of single use plastic packaging used in our UK warehouse.



Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

Our Commitment

To develop and promote products that have a reduced impact on the environment by identifying the origin of raw materials and giving priority to organic, recycled, recyclable or biodegradable options.

Progress to date

- Development of the Brand Addition product sustainability standard to assist buying teams with the selection of sustainable products.
- Development and identification of sustainable products to be included in client product ranges.



ecovadis

Business Sustainability Ratings

Reporting and accreditations

ECOVADIS

Ecovadis is one of the world's largest and most trusted providers of business sustainability ratings, creating a global network of more than 75,000 rated companies over the past 14 years. Our sustainability performance is assessed annually by Ecovadis against the following pillars: Environment, Labour & Human rights, Ethics and Sustainable Procurement.

Our journey with Ecovadis began in 2010 with an overall score of 59. Our commitment to improve our standing across all of the criteria has culminated to Brand Addition achieving a Platinum rating in 2020 and again in 2021. This places our company among the top 1% of companies within our sector assessed by Ecovadis. In addition, we were also able to demonstrate improvements during the assessment increasing our overall score from 76 in 2020 to 80 in 2021.



BA is Platinum-rated,
top 1% of companies
within our sector

ba.

Reporting and accreditations

THE CARBON DISCLOSURE PROJECT (CDP)

We also report annually to the carbon disclosure project, which assesses against Governance, Business Strategy and Verification among other, with a special focus on our Carbon Emissions. The last report we have delivered - July 2022, will be the last one without including our Scope 3 emissions, as we have worked very hard over the last few months to be able to report on all our emissions from now on.

ISO management systems

Across Brand Addition we have effective management systems in place that are annually audited by SGS to ensure continued certification against globally recognised standards.



ISO 9001
Quality



ISO 14001
Environment



ISO 50001
Energy



Leading Through Sustainability.



Product



Planet



People

For our business, sustainability starts with the product we provide to support our customer's brand engagement activities. Brand Addition focuses on the raw & source materials, manufacturing principles, intended use, and certification criteria to ensure that our products are what they say and meet our rigorous quality standards. In addition to the wonderful product, we also focus on the packaging of the product to limit the impact on the environment across our supply chain. We are committed to protecting the environment and improving our solutions to divert as much waste as possible from landfills.

Product

Introducing Our New Sustainable Product Standard

Product Sustainability

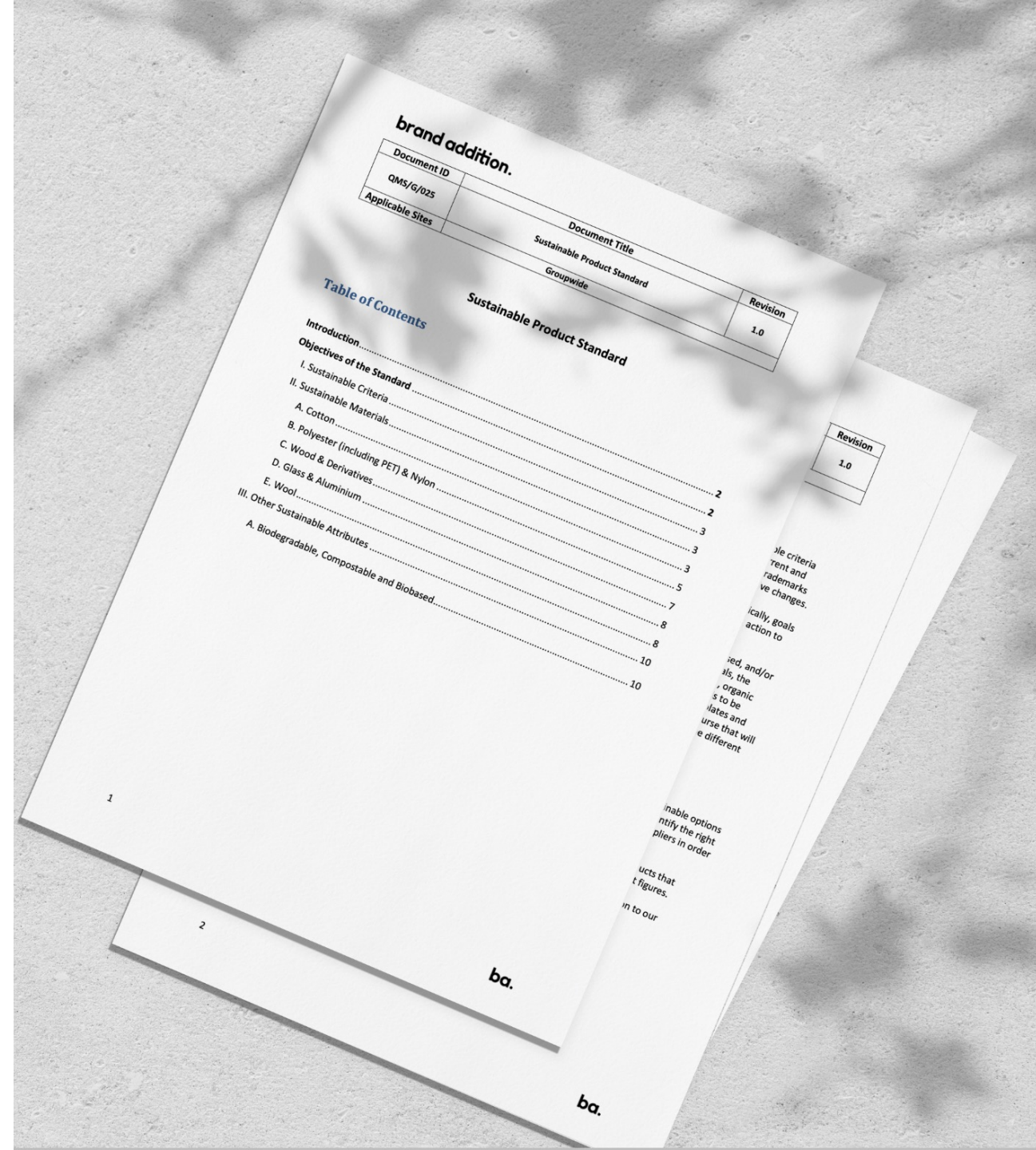
The ability to verify the sustainability of our products is key to us, so we have been applying sustainability criteria to the materials and processes of the products we work with for years. This allows us to be fully transparent in meeting our customer's needs. Furthermore, in 2022, we launched our own Product Sustainability Standard in order to support our customer's decision making when it comes to their range of sustainable products.

Sustainable Product Standard

The standard is a great tool that has allowed us to compile the sustainability criteria for our products. This tool and our approach are centred in transparency to ensure that all of our sustainable product claims or benefits are verified and certified. In this way, we can propose and select the best materials to support our customer's needs based on internationally recognised standards, which also include social and environmental requirements.

As we work with an infinite variety of products, our standard is classified by materials rather than product categories, to ensure that we cover every type of item. In this way, the standard covers the sustainability requirements that the different materials in our products must meet: Main material > Attribute (Organic, Recycled, Recyclable) > Certifications accepted per material and attribute > Validation documents > Minimum content required.

This ensures that our sustainable products and the whole value chain is in line with international social and environmental standards.



Product

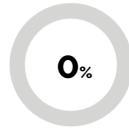
Making our clothing more sustainable

Brand Addition worked with one of our clients to elevate the sustainable credentials of this jacket without impacting on quality. It features fully recycled polyester outer shell, fully recycled padding and virgin nylon lining. Using recycled polyester in this way, reduced its greenhouse emissions by 76% when compared to virgin polyester. (According to the Higg Index LCA tool: <https://apparelcoalition.org/higg-product-tools/>)

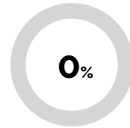
2018 Jacket



Recycled shell fabric



Recycled content in padding



Recycled content in lining

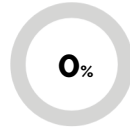
2022 Jacket



Recycled shell fabric



Recycled padding



Recycled content in lining



6,270kg

recycled material shell fabric for 2022



Supporting UN Sustainable Development Goals





Made from 100% certified organic cotton

Product

Benefits of organic cotton



26% Less potential for soil erosion



70% Less acidification of land and water



46% Less impact on global warming



91% Less surface and groundwater use



Supporting UN Sustainable Development Goals



Supporting UN Sustainable Development Goals



Supporting UN Sustainable Development Goals

Source: Textile Exchange (2017): Quick Guide to Organic Cotton.

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Product

Sustainable Packaging

Packaging is certainly an inherent part of our products and plays an important role in our sustainability strategy. Therefore, we have a public commitment to use only recycled, recyclable or biodegradable packaging in our products by the end of 2023 in our directly operated logistic centres.

We have reduced single-use plastics in our Manchester warehouse, and through our work over the last years we have moved to using only the following materials in Manchester:

70% of all shipping cartons are made from recycled materials



All of the packaging tape used is made from paper or a recyclable alternative

100% recycled paper is used where internal packaging material is required

100% of our European transit packaging can be curbside recycled



Supporting UN Sustainable Development Goals



Supporting UN Sustainable Development Goals

Product

Sustainable Packaging

Moving forward

- We are continuing to review our packaging inventory and assessment of the materials used in the rest of our sites to ensure they are aligned with our most advanced criteria.
- Additionally, we are working with our suppliers to reduce single-use plastics throughout our supply chain, achieving innovative results.





Product

Packaging

Going plastic free

Brand Addition worked closely with one of its clients to develop bespoke packaging to eliminate the use of single use plastic packaging. All product packaging in the range is made with FSC Cardboard or FSC Kraft paper. Now we aim to take it a step further with a transition towards 100% Recycled FSC paper packaging by 2023. This will result in all bespoke product packaging for this client being fully recycled and recyclable.

10+ million units

with plastic free and recyclable packaging since 2020



100% recyclable



Plastic free



Supporting UN Sustainable Development Goals



Supporting UN Sustainable Development Goals



Supporting UN Sustainable Development Goals

Product

Packaging Recyclability

Brand Addition works with clients to develop sustainable solutions to reduce waste and promote the use of recycled materials in product packaging.

Brand Addition was approached by a client to develop a new sustainable packaging solution. Their previous product packaging consisted of a number of different materials containing chemical processes, painted / lacquered and PU layers with suedette trims.

The new solution is manufactured in a mono material, is fully recyclable, uses responsibly sourced FSC certificated papers, providing a fully recyclable solution that continues to meet the clients brand image.



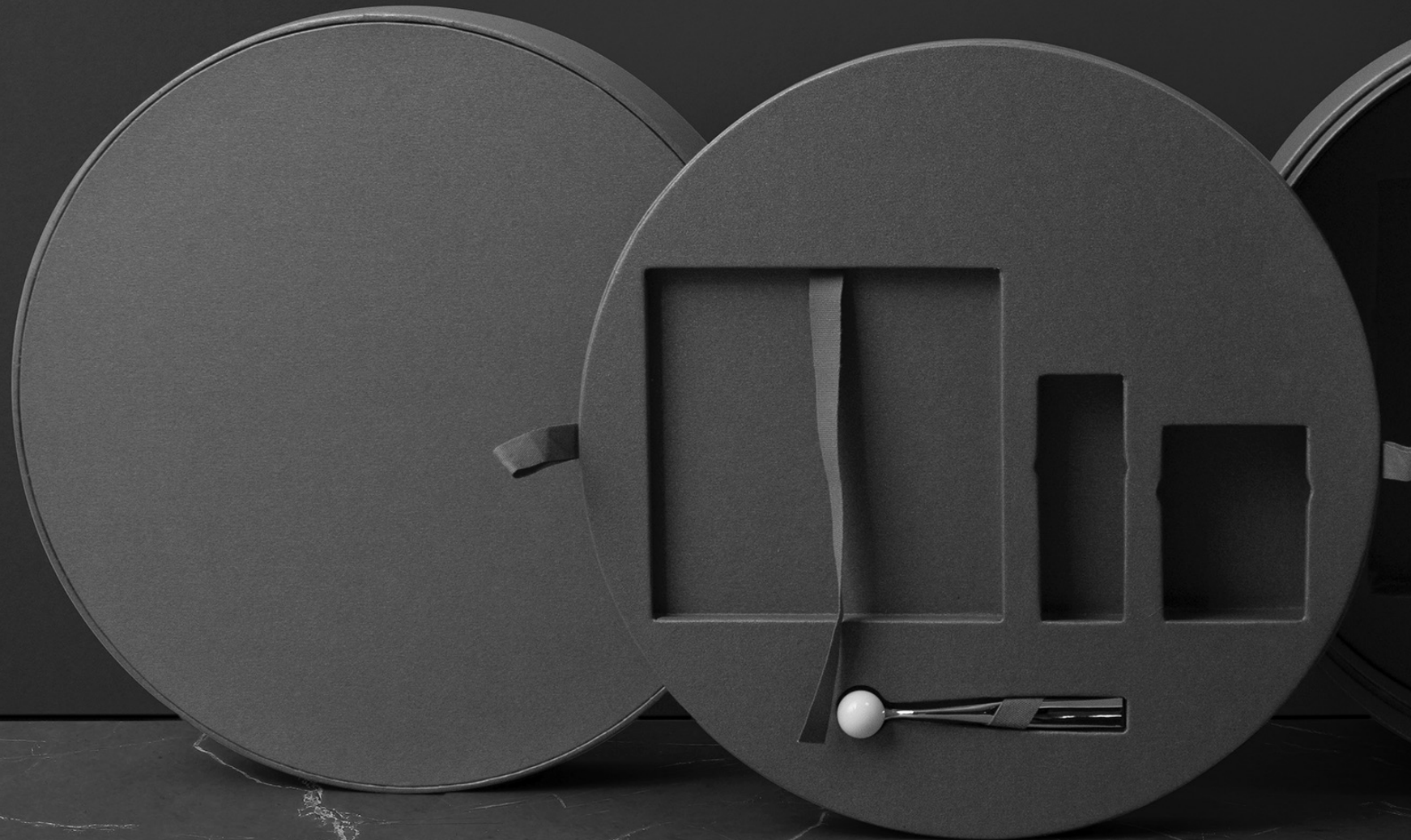
100% recyclable



Plastic free



Responsibly
sourced



Supporting UN Sustainable
Development Goals



Supporting UN Sustainable
Development Goals

Leading Through Sustainability.



Product



Planet



People

Understanding how our overall company (including our supply chain) impacts the wider world from a GHG perspective is an important and incredibly complicated task. However, we have invested with a globally recognized 3rd party to help us with our Scope 1, 2, & 3 emission calculations to help us understand truly what our impact is on the planet. More importantly, it will be the plans and actions we put into place to limit our emissions, reduce our overall carbon footprint, invest in renewable energy, and offset where necessary that will be the exciting elements of our journey for years to come.

Planet

Carbon Footprint

Another fundamental pillar of our strategy is Planet, which contains the strategic initiatives to reduce our environmental impact based on the different sources of emissions considered by The Greenhouse Gas Protocol

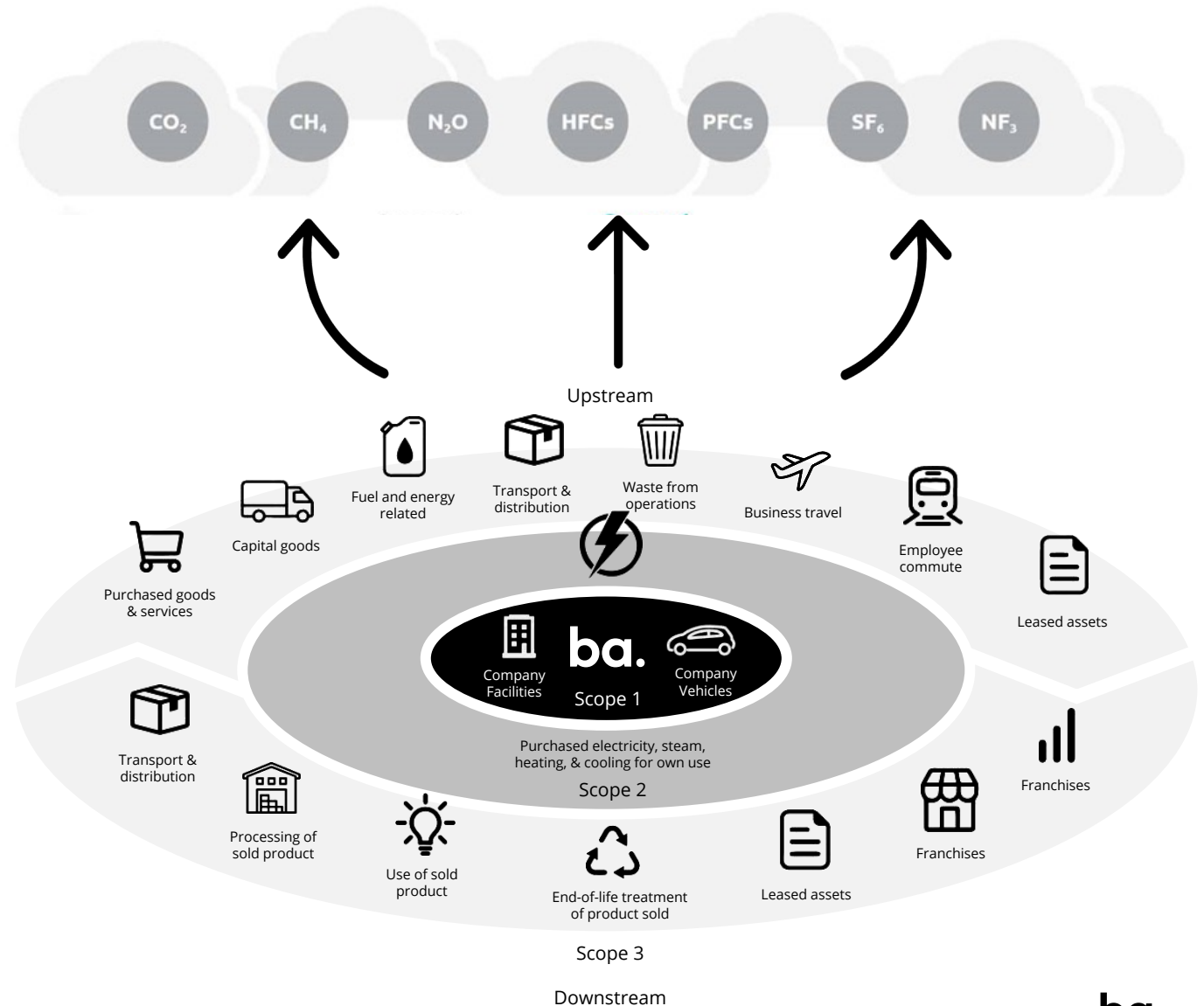
According to this protocol, carbon emissions are divided into 3 types based on their origin:

Scope 1: Direct emissions of the company derived from the boilers or its vehicles

Scope 2: Indirect emissions, such as electricity or energy purchased to heat or cool its buildings.

Scope 3: all other indirect emissions up and down its value chain, such as products, transport, logistics, or waste.

We are implementing measures to reduce our emissions from all 3 scopes across all our 7 sites around the world.



Planet

Carbon Footprint

Scope 1 & 2:

Scope 1 & 2: boilers, vehicles & electricity purchased

During 2021, we have put in place a consistent data capture system for all our sites whereby we have visibility of gas and electric usage on a monthly basis for all our facilities around the world. In 2022, we will outline an energy usage reduction plan with tangible measures.

We also aim to switch to renewable energy suppliers for all our sites by the end of 2023. We have already switched our headquarters in Manchester to a biogas supplier, London and Gelsenkirchen to renewable electricity, and expect to do the same for the rest of our sites as soon as the current contracts come to an end or will use EAC's or REC's where no other viable option exists

We use the Energy Management System (ISO 50001) at our Manchester, London and Gelsenkirchen sites and plan to extend it to all other sites.



Planet

Carbon Footprint Scope 3

Scope 3: all other indirect emissions

The Scope 3 emissions of an organisation are usually the largest and most difficult to calculate and influence. Given the nature of our business, our Scope 3 emissions are those derived from the following operations:

- Products
- Upstream and downstream transportation
- Waste generated
- Business travel and employee commuting (COVID no representative)

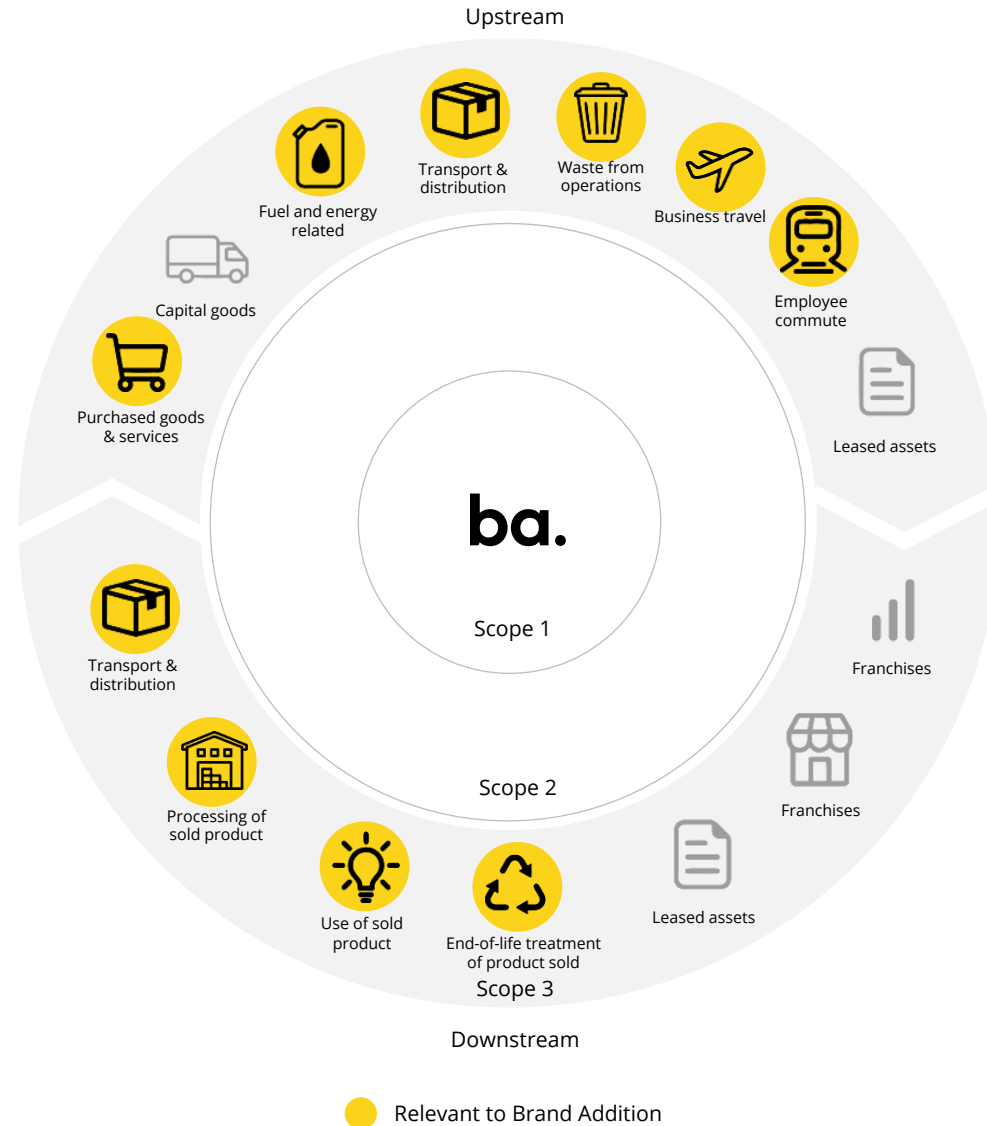
In January 2022, we partnered with Normative to help us estimate and set plans to reduce our Scope 3 emissions. We have worked with them during the first quarter of 2022 to provide them with the necessary 2021 activity and transaction data to facilitate a final estimation through a hybrid of spend and activity-based method, in line with The Greenhouse Gas Protocol guidelines.

Although we had already been working on our Scope 1 and 2 emissions inventory for years using our own methodology, thanks to our work with Normative, we have been able to obtain an estimation of our Scope 1, 2 and 3 emissions for 2021:

[GHG Protocol Scope 2 guidance](#)

[GHG Protocol Corporate Accounting and Reporting Standard](#)

[Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#)



Planet

Carbon Footprint

Emission data

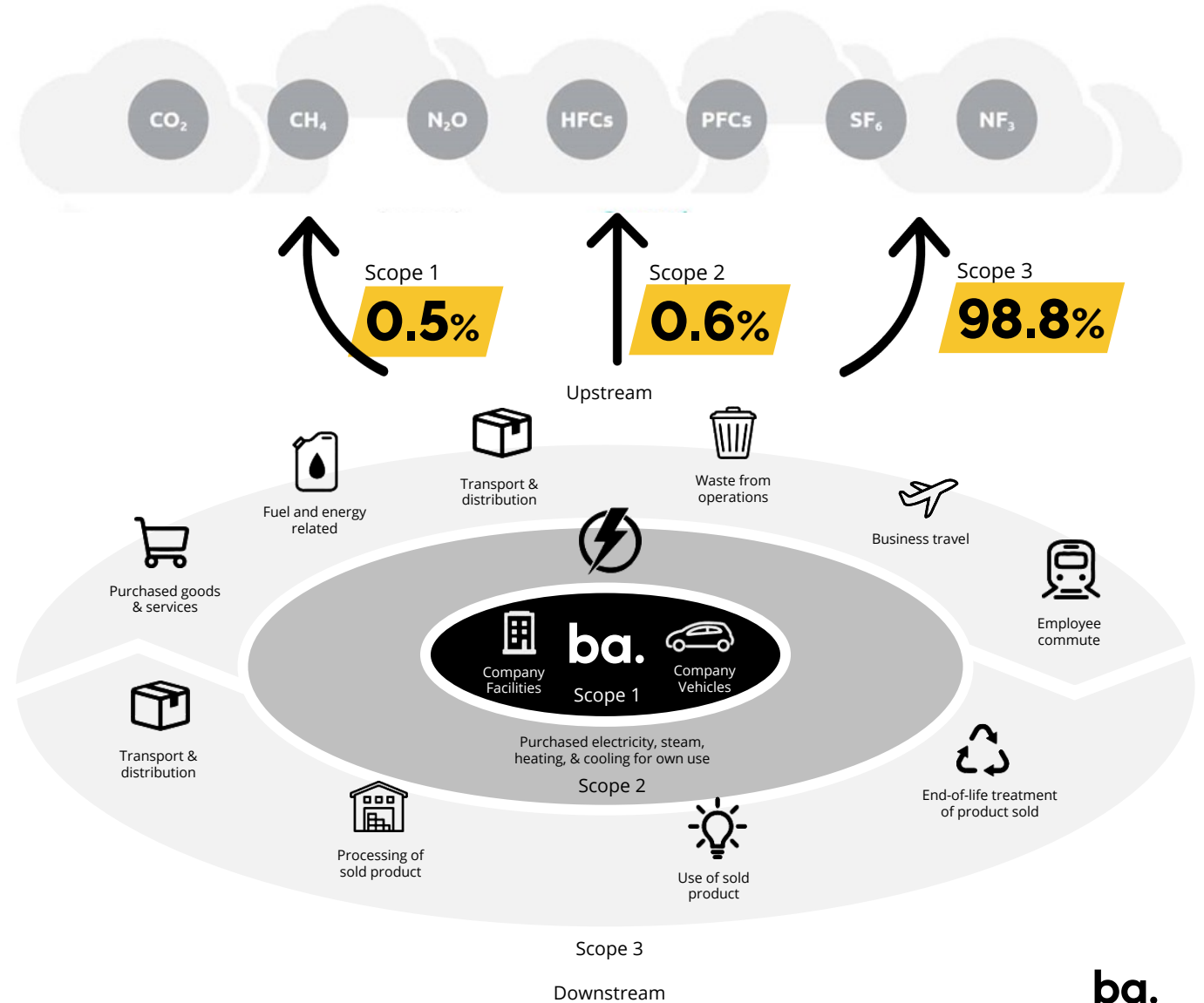
Calculating our Scope 3 emissions is a key milestone for our business. We know that this figure is high, since more than 98% of our emissions do not come from our direct activity, but from our value chain. However, we also know that transparency towards our stakeholders is the key factor that differentiates us in the industry.

Calculating our emissions has been just the first step. Next step is making real reduction through engaging with our supply chain.

2021 greenhouse gas emissions data

Category	2021 emissions (tCO ₂ -e)
Scope 1	282.7
Scope 2*	321
Scope 3	51,406

*Emissions figures updated at 14 Sept



Planet

Carbon Compensation Our Programme



BA joined the Tree nation projects at the start of January 2022. This organization was selected after detailed review of many options for the following reasons:

- Internationally verified offsetting program.
- Globally recognized organization.
- Certified by plan Vivo - a certification framework for community-based payments for Ecosystems Services (PES).

Where we are working

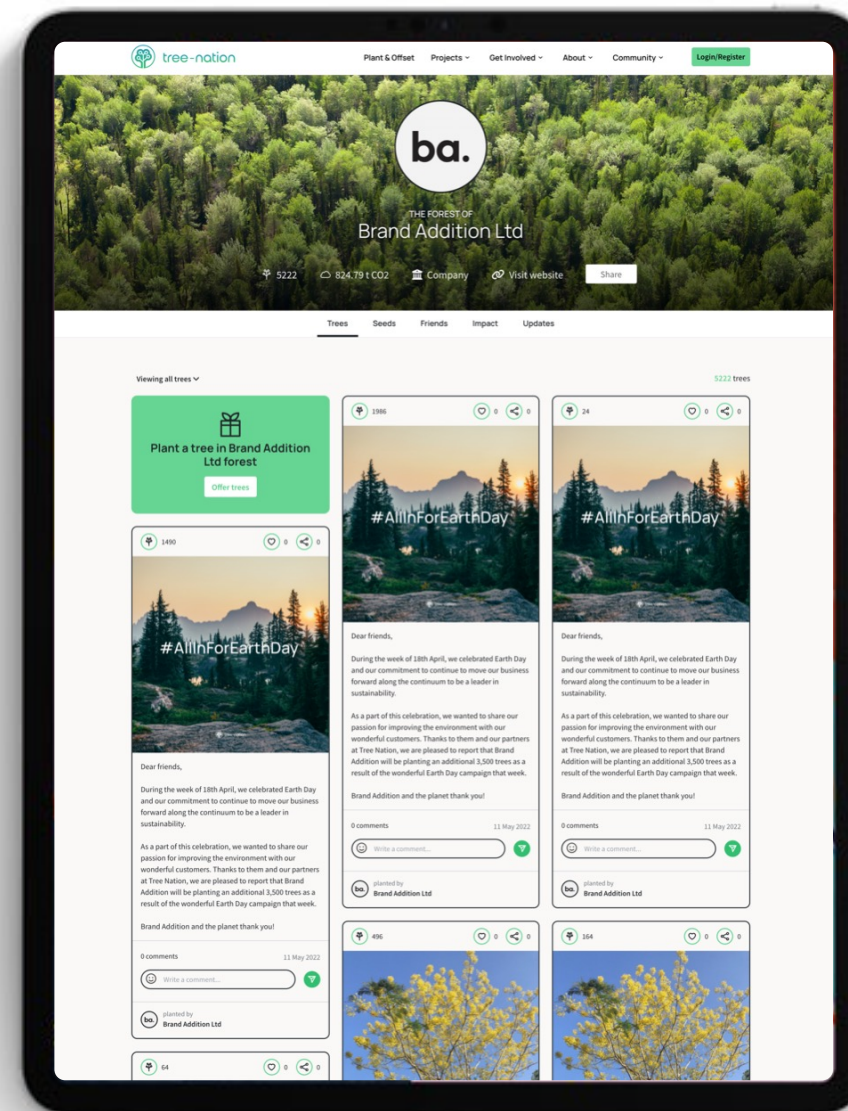
Communitree project in Nicaragua.

- Supports rural smallholders & community groups.
- Benefits livelihoods, enhances ecosystems protecting biodiversity.

Our commitment

- Committed to plant enough trees to compensate for 800 tons of CO2 .
- Estimated to cover all our scope 1 & 2 emissions.

<https://tree-nation.com/profile/brand-addition-ltd>





Earth Day.

Planet

Carbon Compensation Earth Day

Earth Day Initiative. 1 order = 1 tree

For every order that was placed by our customers during the 20th, 21st and 22nd of April.

Brand Addition funded **3,500 trees** in the Amazon in collaboration with Tree Nation.

ArBolivian Project, established in The Amazon and managed by local communities.

[Click here to see project](#)



Supporting UN Sustainable Development Goals



Supporting UN Sustainable Development Goals

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Sustainable Logistics.

Our plan in practice.

BA logistics objectives.

Work with providers demonstrating CO₂ reductions & off-setting.

Use DHL's GOGREEN service wherever possible (currently in 40 countries).

DHL aim: zero emissions by 2050, 70% of first & last mile fleet with clean solutions.

BA aim's to reflect this model across all logistics activities.

How it works.

- Carbon emissions from a GOGREEN shipment calculated with verified measurement process.
- Translated into required 'carbon credits' redeemed through climate protection projects.

Benefits.

- View emissions analysis from our shipments.
- Can account for carbon emissions from 3rd parties for singular measurement.
- Clear baseline with meaningful KPIs.
- Powerful 'what if?' function showing how carbon emissions can be reduced.



Supporting UN Sustainable Development Goals



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Leading Through Sustainability.

 Product

 Planet

  People

Our people have been and continue to be the bedrock of our organization. Throughout Covid-19 and through to today, we continue to focus on the health, safety, well-being, and growth of our employees across the globe. Like our overall strategy related to ESG, we continue to invest in resources, training, and programs to improve our employee's engagement and focusing on their career path progression within the organization. We want our people to have sustainable and fulfilling careers here at Brand Addition. It is our people who lead our Sustainability Champions & Diversity & Inclusion Champions, and Well-being Champions teams to help ensure we continue to put our employees at the forefront of everything that we do.

People

Our staff

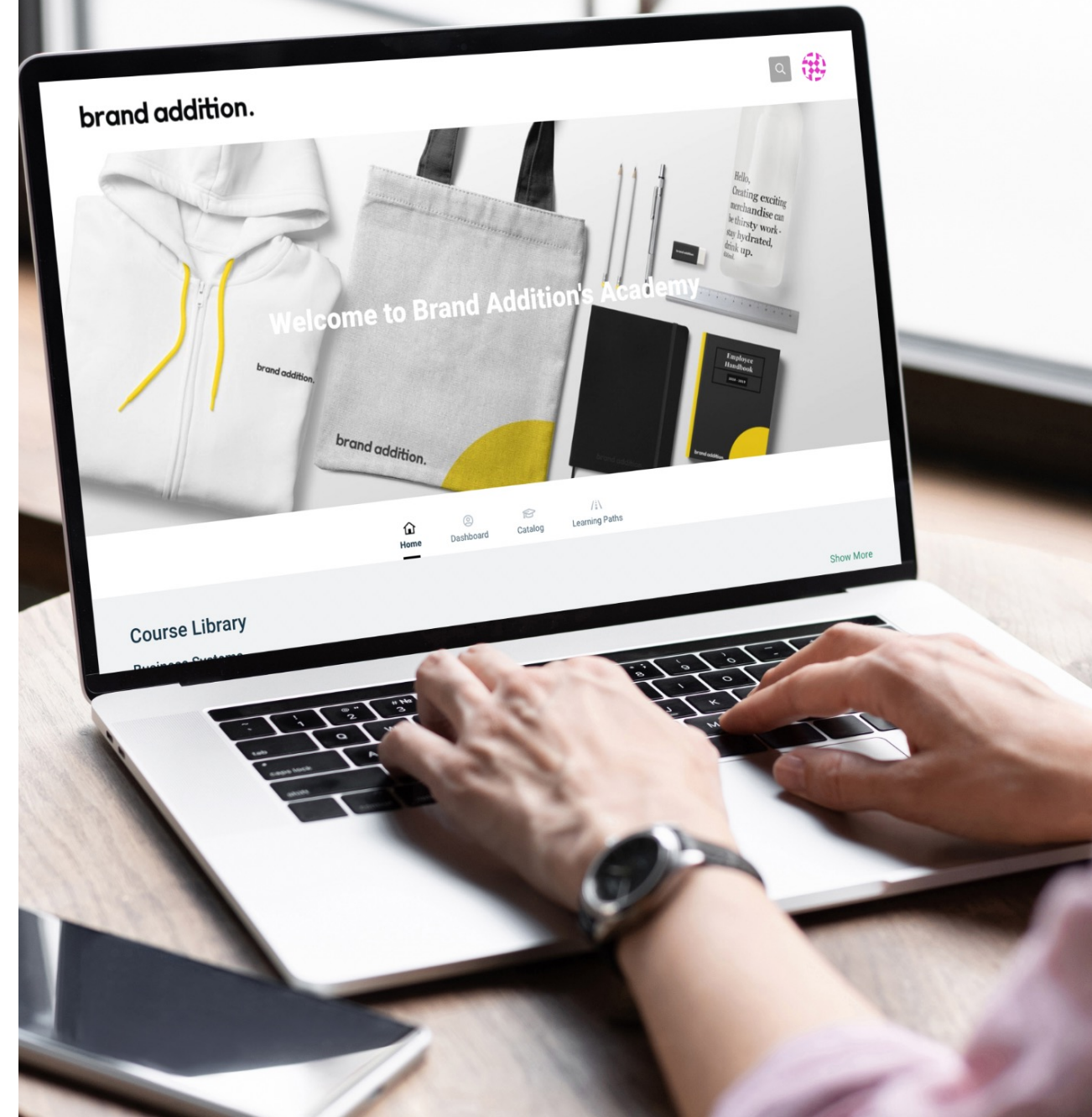
Training

Sustainability Champions

Our Sustainability Champions across the world have played a pivotal role in establishing our system for capturing energy use and waste data across all our sites. They inspire us and help us to reinforce the consistency of our sustainability strategy across all our sites. Additionally this team supports sustainable product sourcing, waste management, packaging needs, and other environmental needs of the business. In 2022 we invested in our Sustainable Sourcing Team by adding 3 Sustainable Product Managers located in the UK and the US reporting to our Sustainability Manager. This group sits within our Quality & Compliance team and reports to our Group Quality & Control Manager.

BA Academy

In April 2022, we launched our internal training platform, BA Academy, where we share valuable information between departments. On this platform, we exchange training sessions on relevant subjects such as Quality and Compliance, Sustainability, Health and Safety, and Inclusion and Diversity, among others. BA Academy is proving to be a valuable tool for the continuous growth of our teams.





People

Our staff

Wellbeing initiatives

BA has a team of Wellbeing Champions who have put in place an incredible programme of wellbeing initiatives. A clear sign that the wellbeing of our employees is always our priority.

People

Suppliers

Sustainability across the supply chain

Our suppliers are one of our key stakeholders in terms of the sustainability of our products and the processes that are part of the entire supply chain. From the environmental attributes of the materials and products used to the social standards, our suppliers are treated as partners in the product development process

For this reason, we have the following processes in place to ensure a sustainable supply chain that meets our requirements.

Supplier Assessment System:



Since Brand Addition does not manufacture any products the Supplier Assessment process is critical to our business. The process allows us to establish the suitability of the Vendor to become an approved supplier to Brand Addition.

Supplier are assessed on:

- 1- Quality Management Systems
- 2- Product Quality & Process Control
- 3- Product & Supplier Compliance
- 4- Ethical / Corporate Responsibility
- 5- Environmental Responsibility
- 6- Sustainability.

People

Suppliers

Code of Conduct

Furthermore, All Brand Addition Suppliers must sign up to the Brand Addition Corporate & Social Responsibility Declaration

New Suppliers sign this and the Brand Addition Terms and Conditions as part of the New Supplier Set Up process.

Cotton suppliers

All Brand Addition Suppliers of cotton-based products must sign up to our Responsible Cotton Sourcing Policy and Traceability Declaration.

New cotton product suppliers must commit to this level of supply chain transparency and compliance while existing suppliers are asked to reaffirm these commitments and requirements.





People

Suppliers

Members of SEDEX

Brand Addition is an A/B member of SEDEX (Supplier Ethical Data Exchange), a membership organisation for businesses committed to the continuous improvement of their Social & Ethical performance within their supply chain. SMETA (Sedex Members Ethical Trade Audit) audit reports are stored and shared between clients

These audits are performed by affiliated and approved audit companies only (i.e. SGS) and the audit results including Critical Action Plans are shared within the SEDEX system.

The audits we perform consist of the following:

- SMETA 4 Pillar Audit covers Labour standards, Health and Safety, Environment and Business Integrity.
- SMETA 2 Pillar Audit covers Labour standards and Health and Safety



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People Community Volunteering

As part of our ba.ONE plans, we have committed to providing our teams across the globe with 16 hours paid volunteering leave each year to support their local community, embracing the diversity of so many different cultures and backgrounds. This year the team in Manchester has partnered with Mustard Tree, a charity aiming to combat poverty and prevent homelessness. Each Friday a member of our team spends the day at Mustard Tree, supporting either their food club or community furniture shop. So far this year, the team in Manchester have committed over 120 hours to date, with a further 200 to follow, and each and every team member who has supported this initiative so far has taken so much from supporting this opportunity.

Several further volunteer opportunities were available for the teams to participate in across the globe. Team champions for Diversity & Inclusion organized events for Black History Month, International Women's Day and Pride celebrations, among others. For Earth Day, our team in the US supported a local not for profit by assisting in the set-up of their St. Louis Earth Day Festival.

The events provided great opportunities to give back to our community while bonding with our fellow teammates.



Future Plans



Product

Scorecard - Product Sustainability Managers will develop a Product Sustainability Scorecard that will allow us to grade our products based on their sustainable attributes. This will rollout to our internal teams, customers and suppliers in H1 2023

Playbook - Brand Addition will have a playbook of sustainable products that can be personalised by client and across regions



Planet

Suppliers - We are engaging with our supply chain towards alignment on our carbon reduction strategies

Shipping - BA are working with carriers that can guarantee carbon neutral shipments to our clients

B Corp - We are undertaking the B Impact Assessment, the first step towards becoming a B Corp company

Waste audits - We are undertaking internal waste audits in our offices and warehouse locations across the globe to then set waste reduction plans and targets in the short term

Net Zero Strategy - We have the aspiration to be Net Zero by 2050. We will review our emissions targets to align to a science based approach



People

Volunteering - We will continue reinforcing our positive impact on the communities by expanding the volunteering initiatives in which we collaborate

Wellbeing - Wellbeing of our staff and all our stakeholders will continue to be at the core of our business



Less waste **More wonder**

Find out how we can support
you in your sustainability goals:

ESG@brandaddition.com

brand addition.