

Sustainability report 2020

CDON

Means a great deal

1. Our environmental efforts

At CDON we strive to do our work according to the following guidelines:

- We comply with and keep up to date with all environmental legislation in the countries where we operate.
- We strive to contribute as much as possible to a circular economy. We collaborate with sustainability partners to minimize our own climate impact relating to how we manage returns and our use of packaging materials.
- We recycle and use renewable materials whenever possible.
- We always strive to fit the outer packaging to the product. This is done to minimize the consumption of extra packaging materials and to reduce the space each individual carton takes up during the transport process.
- We ensure that our marketplace is primarily powered by renewable energy and we work actively to ensure that our data center suppliers continuously reduce the environmental impact of their data storage.
- We work to ensure that our premises and our daily operations are as climate-neutral as possible. As an example, our external meetings, marketing and all other communications mainly take place online.
- We minimize waste from electronic products by reusing, repairing and recycling.
- We help our customers become environmentally aware, for example, by collaborating with and supporting environmental organizations that offer environmental compensation for purchases.
- We cooperate with customers and suppliers to further develop sustainable solutions throughout the supply chain.

CDON's environmental requirements for our merchants

Under CDON's Agency Agreement, we require our merchants to maintain a high ethical and environmental standard. This also includes providing safe working conditions and protecting workers' rights.

CDON's environmental focus on transport

As an e-commerce company, we are aware that transport has an extensive environmental impact. Therefore, it is important to continue the close cooperation CDON has with several of the largest carriers in the Nordic region. Since CDON became a marketplace, the majority of our deliveries come from our merchants' warehouses. Therefore, we aim to offer our merchants contracts with the most environmentally friendly carriers. CDON works towards the goal of our merchants using solutions that enable consolidated shipping.

SUSTAINABILITY SUMMARY 2020



CDON earned 2,477,077 SEK



■ Reused 98.01
5517 st reused Recycled 1.99
112 st recycled



5,517 products reused
where 149 products is
donated and 5,368 is sold



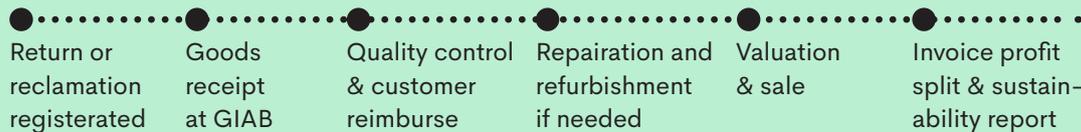
36,985 kg CO₂ saved



48,300 kg waste saved

Process

The climate benefits of
10,254 kg saved CO₂
is equal with 41,016
kilometers driven by car



Carbon offsetting

Carbon offsetting for all shipments is becoming more and more common among e-commerce companies, and carbon offsetting itself is on the rise in all industries. It is something that has been discussed extensively. The most frequent criticism is that companies can “buy their way out” by offsetting their CO₂ emissions without actually putting measures in place to reduce these emissions. However, UN experts agree that carbon sequestration and storage must take place in combination with emission reduction measures to achieve the sustainable development goals by 2030. This is why carbon-offset shipping is a good option, if carried out together with other measures like electrified transport, transport capacity optimization and route optimization. Carbon offsetting enables organizations to be climate-neutral or climate-positive. CDON does not currently offset its own or merchants' deliveries, but the consumer can choose to carbon-offset their shipping through Save the Rainforest, a non-profit association that works to protect tropical forests and nearby local communities.

Social sustainability

Collaboration during Covid-19

During the ongoing pandemic, more and more brick-and-mortar stores have had to adapt and shift to online sales. Starting in April 2020, in collaboration with the non-profit Malmö Citysamverkan, CDON will start offering support to smaller local companies. With this support package, companies can initially start selling on our marketplace for free, as well as receiving extra-fast assistance and support to help them adjust their business model. This initiative has garnered much interest from local companies in Malmö. In May 2020, CDON also initiated a collaboration with Innerstaden Göteborg that offers local stores support, so they can more easily get up and running with their online sales.

Save Christmas

To promote social sustainability in our communities, CDON implemented the Save Christmas initiative for the 2020 holiday season together with the relief organization Giving People. Giving People helps families with children who are economically vulnerable or at risk of becoming economically vulnerable. Thanks to this collaboration, CDON's customers could choose to pay for Christmas gifts from a website wish list collected by Giving People or choose to donate at the checkout. During the Save Christmas campaign, CDON also donated money to the relief organization. A total of 627,000 kronor was raised for Christmas gifts donated to children in Sweden.

2. Social conditions & employees

CDON's core values are:

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|---|--|---|--|
| <p>Courageous</p> <p>We trust each other!</p> <p>We provide each other with feedback!</p> <p>We are curious and dare to test new things!</p> <p>We challenge each other in a positive way!</p> <p>We share knowledge and experiences!</p> <p>We take responsibilities and ownership!</p> | <p>Trustworthy</p> <p>We create the right conditions and expectations</p> <p>We trust each other and our different strengths</p> <p>We are honest in our communication</p> <p>We act in a way that creates trust and transparency</p> <p>We talk with each other and not about each other</p> | <p>Tech curious</p> <p>We are curious about new technology, new working methods and dare to test!</p> <p>We use technology to innovate</p> <p>We dare to be at the forefront of technology and are keen to develop</p> <p>We use technology to create quality, facilitate and to be more efficient</p> | <p>Customer focused</p> <p>We have customer and consumer perspective when we make decision</p> <p>We are responsive and interested in the customer's business and experience</p> <p>We are accessible</p> <p>We provide the right expectations</p> <p>We are proactive and always have a personalized customer dialogue</p> |
|---|--|---|--|

Employee surveys

Since the beginning of 2019, CDON has regularly conducted employee surveys, both physical and online. The online surveys are automatically sent to employees every week to identify employees' experiences of their work situation. By collecting real-time data every week, the company gains a quick overview of both acute problems and long-term development at CDON, all with the goal of reducing stress and boosting job satisfaction.

During spring 2020, all managers at CDON took part in a training session on conducting employee surveys where purpose, administration, work methods and activities were discussed. At HR status meetings, which take place once a month, the manager and HR review the survey results together. The manager also receives support and coaching in order to take appropriate actions based on the results.

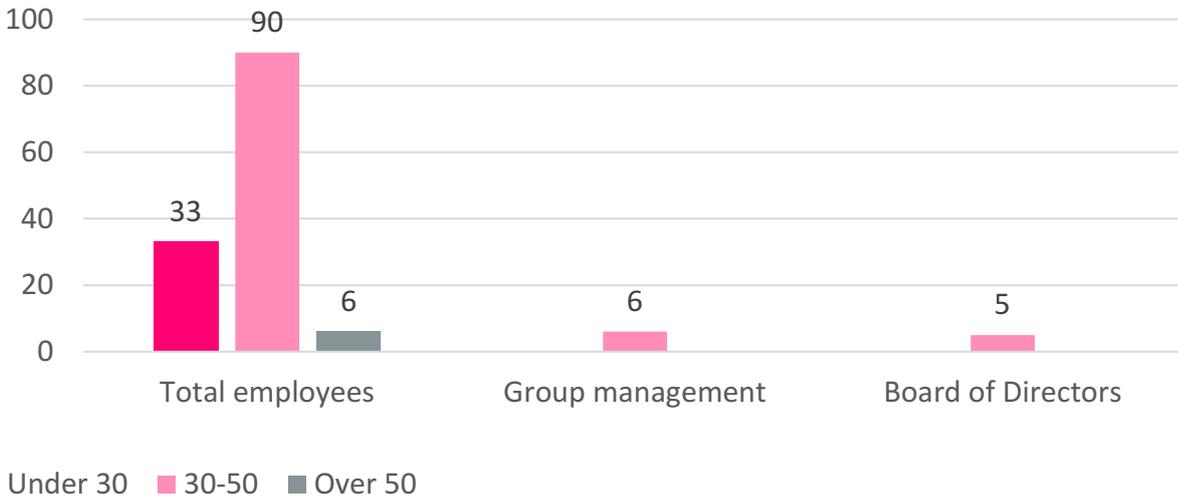
- **Average number of employees: 129 (143)**
 - Men/Women: 66% men (68%), 44% women (32%)
- **Board of Directors: 5**
 - Men/Women: 60% men (100%), 40% women (0%)

- **Group management: 6**
 - Men/Women: 83% men (100%), 17% women (0%)

Full-time employees: 129

Average age: 35

Age distribution



3. Human rights and anti-corruption

CDON's corporate culture is the foundation of our success. We set clear, high standards for every employee regarding ethics and mutual respect. Since we are a marketplace with over 1,500 merchants, our supply chains include many subcontractors. We do not currently see any significant risks related to human rights. However, with CDON's growth and the increase in the number of merchants, we see a need to ensure a collected approach to human rights and the fight against corruption.

CDON creates value by acting as a reliable business partner. We intend to maintain and constantly improve our open and responsible culture with clear, established policies and procedures that ensure ethical and secure business relationships, in parallel with clear leadership that promotes our fundamental values of ethical behavior and respect for each individual. The company has zero tolerance for corruption and bribery. At CDON we carry out our work with high ethical ambitions. We have adopted a code of conduct to ensure that all employees know what is expected of them.

We expect all employees to translate the code of conduct into action and ensure that our partners are familiar with the code. Our code of conduct applies to all employees and board members of CDON, in all markets and regardless of type of employment.

Customer trust and customer data processing

CDON has access to customer data that we process in accordance with applicable legislation as well as internal policies and guidelines on personal data processing and data protection. We safeguard the privacy of customers' personal data and strive to prevent unauthorized access to this data. Only colleagues who are authorized can process customer data. All personal customer data, such as name, address, account details, credit card details and order history, are confidential.

Relationships with suppliers, other business partners and competitors

We are convinced that free and fair competition is to our advantage. The contractual relationships we have with our suppliers, other business partners and customers are crucial to our success. We always make our business decisions based on objective factors, such as price, quality, availability, delivery, reliability and service. The agreements we conclude with suppliers must be in accordance with our code as a whole. This means that our external partners should commit to respecting and complying with our internal rules and ethical principles.

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