

2023

LEO'S

**DUE DILIGENCE ASSESSMENTS FOR
SUSTAINABILITY BUSINESS PRACTICES
ÅPENHETSLOVEN**

**STATEMENT REPORT YEAR 2023 FOR
LEOS LEKELAND NORGE AS**

SUSTAINABLE DEVELOPMENT GOALS



Leo's was founded in 2006 in Luleå and is today Europe's largest and most popular indoor play center chain. Together, we work towards the vision of "Active and happy kids." And we strongly believe that together, with a smile on our faces and a willingness to go the extra mile, we can continue this success story.

We can find ourselves in situations where it is challenging to know how we should act. A common standpoint and agreement on fundamental ethical principles are crucial for building the culture we strive for at LEOS. These fundamental ethical principles also express what our employees, business partners, and society at large can expect from LEOS.

Leos currently purchases products from multiple suppliers in order to conduct our operations with care. The products we buy from these suppliers are manufactured both within and outside the EU. Leos' suppliers are expected to meet the same standards as our own operations. It is important for Leos to ensure that both our company and our suppliers conduct their operations without compromising basic human rights and conditions.

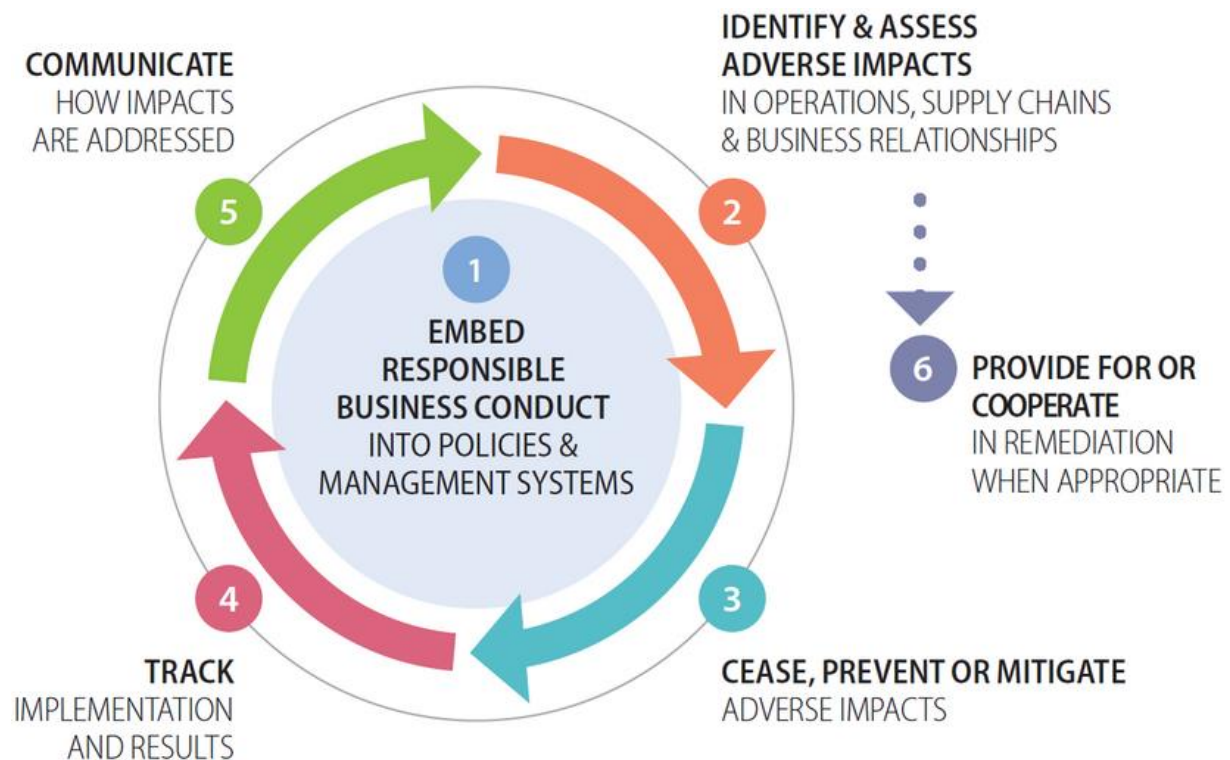
You can read more about Leo's code of conduct here: [Leos Code of Conduct](#)

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Due Diligence Assessments

This report is structured around the UN's guiding principles for business and human rights and the OECD's model for due diligence assessments for responsible business.

The model has six steps that describe how companies can work towards more responsible and sustainable business practices. Being good at due diligence assessments does not mean that a business does not have a negative impact on people, society and environment, but rather that the business is open and honest about challenges and deals with this in the best possible way in consultation with its stakeholders. This report is divided into chapters based on this model.



Relevant information about the company and the supply chain

Key information about the company

The name of the company

Leos Lekeland Norge AS

Head office address

Midgårdsvägen 5, 973 34 Luleå, Sweden

The most important brands, products and services

Leo's is a chain of indoor play centers and activity parks for children. They offer various types of play and entertainment options, including play structures, trampolines, ball pits, climbing walls, and much more. Leos also runs a shop inside the play center selling food, drinks, ice cream and other merchandise.

Turnover during the accounting year (NOK)

137 914 000

Number of employees

60

Is the business covered by transparency regulations(åpenhetsloven)?

Yes

Name, title, e-mail of contact person for the report

Patric Hedkvist, Purchasing manager
patric.hedkvist@leoslekland.se

The logo for LEO'S, featuring the word "LEO'S" in a bold, yellow, sans-serif font. The letters are slightly shadowed, giving it a 3D appearance. The logo is positioned in the bottom right corner of the page, which has a dark green background with a wavy white line above it.

Information about the supply chain

General description of the company's purchasing model and supply chain

Purchasing within Leo's must always be conducted responsibly. Through responsible purchasing, we can ensure reliable and long-term business relationships. We expect our suppliers to comply with national legislation and to respect international conventions. We take a risk-based approach and impose sustainability requirements on our suppliers as well as the services and products we purchase. These requirements are imposed using various tools, such as a specific supplier code of conduct. Leo's combined purchasing strength is leveraged, and synergies are created through a central purchasing function that is responsible for central agreements. We shall have a clearly communicated purchasing process and cooperate actively with our suppliers to achieve improvements. We shall always have written agreements, follow up on the requirements imposed and act in the event of deviations.

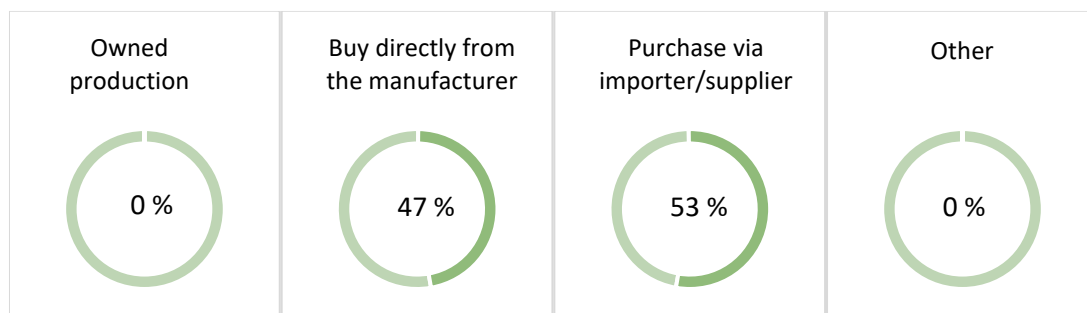
Number of suppliers with whom the company had commercial relations during the accounting year

34

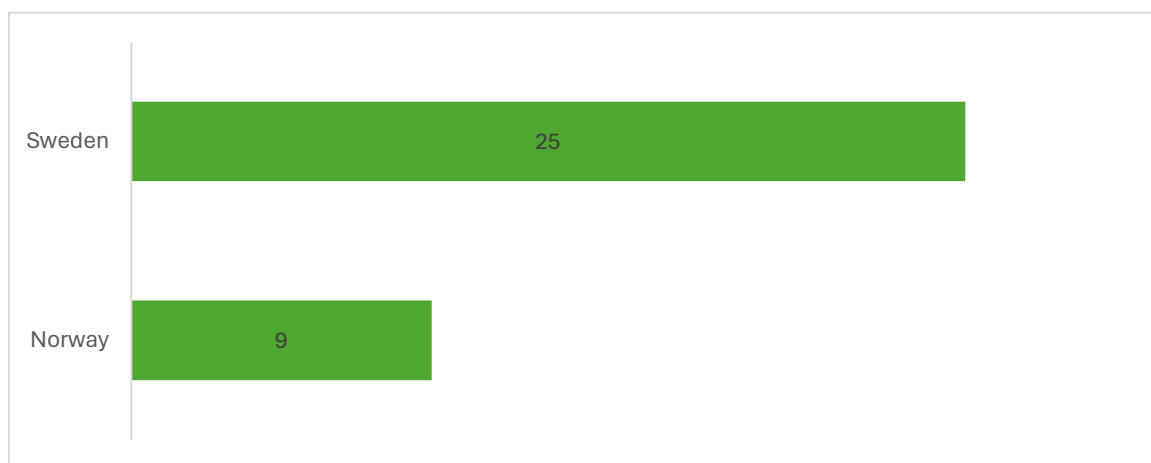
Comment on the number of suppliers

We have only included suppliers with whom we have a turnover of over 80,000 NOK

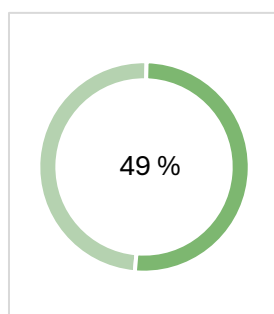
Type of purchase/supplier relationship



List of suppliers by country



List of suppliers with imports/production from outside Europe



Targets and progress

1.

Target: Staff clothing is made of organic fabric/fairtrade.

Status: All new clothes bought in are approved.

2.

Target: All meat in the restaurant comes from Europe.

Status: Today, about 95% of all meat comes from Europe. The goal is 100% before 2025.

3.

Target: All new and existing suppliers must sign our CoC.

Status: Started, All new suppliers have signed, old ones must sign during the year.

4.

Target: 100% Organic/Fairtrade Coffee.

Status: We are reviewing the possibility.

5.

Target: Comply with Public Disclosure Act requirements, including conducting due diligence assessments.

Status: We have fulfilled the requirements of the Public Disclosure Act.

1. ANCHOR SUSTAINABILITY IN THE BUSINESS

Anchoring responsibility related to sustainable business practices in the business involves having strategies, plans, relevant policies, and guidelines for due diligence assessments that have been adopted by management. These should encompass the entire business as well as its supply chain and business relationships. Effective management systems for implementation are a prerequisite for success, and the work of due diligence assessments should be an integrated part of the company's business operations. Clear expectations from top management and clear allocation of responsibilities within the organization to carry out the various aspects of due diligence assessments are important. All parties involved need to know what they need to do. Transparency regarding the obligations the business has towards itself, the challenges it faces, and how they are addressed is essential.

1.A. A POLICY* FOR OWN COMPANY

1.A.1. LINK TO POLICY FOR OWN BUSINESS

[Leos Code of Conduct](#)

1.A.2. WHAT DOES THE COMPANY SAY PUBLICLY ABOUT ITS OBLIGATIONS TO RESPECT PEOPLE, SOCIETY, THE ENVIRONMENT AND THE CLIMATE?

At Leos, we are aware of our responsibility and duty to respect people, society, and the environment. Our basic requirements are embedded throughout the company, from the board to the owners and employees. We purchase large quantities of products and are aware that as a company, we have significant influence. We understand that many of the products we purchase come from high-risk countries and require closer monitoring from our side.

We continuously work on monitoring our suppliers and partners to ensure that we contribute to sustainable development and good working conditions throughout the value chain.

1.B. ORGANIZATION AND INTERNAL COMMUNICATION

1.B.1 HOW IS THE WORK WITH DUE DILIGENCE ASSESSMENTS ORGANIZED IN THE COMPANY?

Responsibility and implementation of due diligence assessments are allocated and defined in procedures for transparency regulations and due diligence assessments. The procedures are owned by the purchasing manager.

The results from the due diligence assessments are reported to the ESG-team and the management group.

1.B.2. HOW IS IT ENSURED THAT RELEVANT EMPLOYEES HAVE SUFFICIENT DUE DILIGENCE SKILLS AND ABILITY TO DETECT AND REPORT PROBLEMS.

Through clear work instructions and training, we ensure that all relevant personnel have relevant knowledge. All information is also available to all employees.

We have adopted a whistleblower policy to make it possible for employees of Leo's to anonymously report any serious and sensitive concerns. The business integrity of Leo's is non-negotiable. We are committed to conducting our business in accordance with the law and high ethical standards.

1.C. PLANS AND RESOURCES

1.C.1. WHAT IS THE COMPANY'S ACTION PLAN AND STRATEGY FOR TAKING INTO ACCOUNT PEOPLE, SOCIETY AND THE ENVIRONMENT?

Our sustainability strategy is divided into three main areas: 1) Climate and environment, 2) Health, and 3) People. These areas focus on resource utilization, packaging and reducing the carbon footprint, as well as providing variety to consumers and promoting the physical well-being of our own employees. We also strive to be a learning organization and promote a gender-balanced and inclusive working environment.

1.C.2. HOW ARE THE COMPANY'S STRATEGIES AND ACTION PLANS FOLLOWED UP BY MANAGEMENT AND THE BOARD?

The sustainability work is presented and discussed with the management team and other interested parties in the management and the board. The ESG team includes managers from several areas and ensures that relevant issues are raised and discussed with management.

1.D. PARTNERSHIP AND COOPERATION WITH BUSINESS PARTNERS

1.D.1 HOW DOES THE BUSINESS MAKE CLEAR THE IMPORTANCE OF RESPONSIBILITY AND SUSTAINABILITY IN THE MANAGEMENT OF BUSINESS RELATIONSHIPS, ESPECIALLY IN SUPPLY CHAIN?

We communicate our ethical guidelines for purchasing to all our suppliers in the supplier approval process and follows this up every three years. Furthermore, we have an ongoing dialogue with our suppliers where responsibility and sustainability are themes.

We do not have a reward system for good business conduct - it is a prerequisite for us. Approved suppliers are rewarded with continued collaboration and long-term contracts.

2. MAPPING OF THE BUSINESS IMPACT

Mapping involves identifying the company's risks of, and actual negative impact or harm to, people, society, and the environment, including within the supply chain and through business relationships. It begins by forming a comprehensive risk profile and then prioritizing the most significant areas of risk for more detailed mapping and management of findings.

Understanding how the business is involved in any negative impact on people, society, and the environment is crucial for determining the appropriate response and actions. Involving stakeholders, particularly affected parties, is essential in the mapping process, as well as in taking measures to address the challenges effectively.

2.A. MAPPING AND PRIORITIZATION

2.A.1 LIST THE COMPANY'S PRIORITIZED RISKS OF NEGATIVE IMPACT/HARM TO PEOPLE, SOCIETY, AND THE ENVIRONMENT. NOTE THAT THE PRIORITIZED RISKS YOU LIST IN THE TABLE BELOW WILL BE TRANSFERRED TO STEP 3 OF THIS REPORT, WHERE YOU WILL BE ASKED TO EXPLAIN HOW YOU ARE WORKING TO STOP, PREVENT, OR REDUCE THE NEGATIVE IMPACT.

Priority negative impact/damage	Related topic	Geography
Disposable plastic packaging	Environment	The Nordic countries/Europe
Slush Cups	Environment Child labor Health and Safety	East Asia

2.A.2. DESCRIBE: A) THE COMPANY'S PROCEDURES FOR MAPPING AND IDENTIFYING RISKS AND HOW THE NEGATIVE IMPACT/HARM WAS IDENTIFIED AND PRIORITIZED DURING THIS PERIOD. B) ANY PARTS OF THE COMPANY NOT COVERED IN THIS REPORTING (PRODUCT GROUPS, OWN PRODUCTS, DEPARTMENTS, OR SIMILAR) AND WHY YOU HAVE CHOSEN NOT TO PRIORITIZE THEM IN FURTHER WORK; C) HOW INFORMATION WAS GATHERED, WHICH SOURCES WERE USED, AND WHICH STAKEHOLDERS WERE INVOLVED/CONSULTED; D) IF ANY AREAS OR TOPICS WITH MISSING INFORMATION HAVE BEEN IDENTIFIED TO FORM A COMPREHENSIVE PICTURE, AND HOW YOU PLAN TO PROCEED TO OBTAIN MORE INFORMATION/HANDLE THIS.

We have chosen to focus on suppliers of plastic packaging of various kinds in this report. According to the Naturvårdsverket, this is a major problem that has increased significantly over the past 10 years and where we believe we can contribute the most.

We work continuously to review the selection of different packaging with regard to food safety, product characteristics and durability.

Unfortunately, plastic packaging is still a necessary evil in our business. It is therefore very important that we use serious suppliers with expertise in the field and train the staff in how to sort leftover plastic.

3. STOP, PREVENT OR REDUCE NEGATIVE IMPACT

Stopping, preventing, or reducing involves handling the findings from the mapping in a proper manner. The company prioritizes its most significant negative impact on people, society, and the environment. This does not mean that other risks are insignificant or not addressed. How the company is involved is crucial for implementing the right measures. Actual negative impact/harm caused or contributed to by the company must be stopped, prevented, and reduced. Businesses directly associated with negative impact must use their influence to encourage business partners (e.g., suppliers) to stop, prevent, and reduce such impact. This entails developing and implementing plans and procedures to address risks and may require changes to the company's own policies and management systems. Successful management of negative impact on people, society, and the environment by businesses is a critical contribution to the UN Sustainable Development Goals.

3.A. STOP, PREVENT OR REDUCE

3.A.1. ADD GOALS, PROGRESS STATUS AND DESCRIBE ACTIONS YOU HAVE TAKEN TO
MANAGE THE BUSINESS PRIORITIZED NEGATIVE IMPACT/DAMAGE TO PEOPLE, SOCIETY
AND THE ENVIRONMENT

Priority negative impact/damage	Disposable plastic packaging
Overall goals	Replace all single-use plastic products with more environmentally friendly products
Status	Ongoing
Objectives for the accounting year	Get rid of all single-use plastic glasses

Actions taken:

Today we only use disposable paper at birthday parties.

Goals and activities for the coming accounting year:

Make it possible for the customer to choose a more environmentally friendly alternative that is reusable.

Priority negative impact/damage	Slush Cups
Overall goals	Switch to reusable packaging
Status	Ongoing
Objectives for the accounting year	Get rid of all single-use plastic glasses

Actions taken:

We have replaced 3 out of 4 slush cups with cups that customers can use several times and take home with them.

Goals and activities for the coming accounting year:

Replace the last cup with a paper one, that will be done in June 2024

3.B. OTHER MEASURES TO DEAL WITH NEGATIVE IMPACT/DAMAGE

3.B.1. REDUCTION OF NATURAL AND ENVIRONMENTAL IMPACT

During the year, we reviewed the routines for waste sorting and trained the staff in how the waste should be sorted. We have also revised the size of the bins to reduce the number of collections.

Leos also has a company car policy that, in line with Leo's ESG work and to contribute to reduced emissions and a better environment, all cars must be either powered by electricity or a so-called "plug-in hybrid".

Through the supplier approval process, we follow up on our suppliers, and make demands that they make demands further down the value chain.

3.B.2. DEVELOPMENT IN THE SUPPLY CHAIN

We want to be a customer who challenges and sets requirements for our suppliers. We collaborate with our suppliers to find advantageous solutions, such as packaging. Another concrete example is the collaboration with a supplier to reduce the volume of shipping packaging and streamline logistics. We managed to reduce the packaging volume by 30% for the same number of pieces.

3.B.3. ADAPTATION OF OWN PURCHASING METHODS

We want to be a customer who challenges and sets requirements for our suppliers. We collaborate with our suppliers to find advantageous solutions, such as packaging. Another concrete example is the collaboration with a supplier to reduce the volume of shipping packaging and streamline logistics. We managed to reduce the packaging volume by 30% for the same number of pieces.

3.B.4. COMBATING CORRUPTION AND BRIBERY IN OWN OPERATIONS AND THE SUPPLY CHAIN

Our ethical guidelines clearly prohibit any form of bribery, including the use of indirect methods to obtain illegal personal or business-related advantages for customers, agents, contractors, suppliers, their employees, or public officials.

4. MONITORING OF IMPLEMENTATION AND RESULTS

Follow-up of implementation and results is about measuring the effect of the system and its own work at each stage of the due diligence assessments, and show whether the business is doing well due diligence assessments. The business must have systems and routines in place to be able to capture and critically assess their own conclusions, priorities and actions taken as part of due diligence assessments. For example: Mapping and prioritization is done of the most negative impact in a professionally sound and credible manner and that reflects the actual conditions? Do the measures to stop, prevent and/or reduce the company's negative impact/damage as intended? Is the damage restored where relevant? It may apply to measures taken by the business itself and which is carried out by or in collaboration with others. The experience the business gains from the work with due diligence assessments is used to improve processes and results in the future.

4.A. MONITORING AND EVALUATION

4.A.1. DESCRIBE WHO IS RESPONSIBLE FOR MONITORING THE EFFECT OF MEASURES TAKEN TO MANAGE THE BUSINESS SIGNIFICANT RISKS OF DAMAGE/NEGATIVE IMPACT ON PEOPLE, SOCIETY AND THE ENVIRONMENT, AND HOW THE MONITORING IMPLEMENTED IN PRACTICE

We have an ESG-team consisting of employees from several different departments and areas of responsibility. This group is central to the follow-up of measures and risk assessment.

We have our own dedicated buyers for packaging and materials. These are responsible for following up suppliers continuously.

5. COMMUNICATION ABOUT HOW NEGATIVE IMPACT/DAMAGE HAS BEEN HANDLED

The prerequisite for good external communication about the work connected to the companies' due diligence assessments for sustainable business practices is that it is based on concrete activities and results. Businesses must communicate publicly about relevant management documents related to due diligence assessments, such as policies, guidelines, processes and activities related to identifying and managing the company's actual and potential negative impact on people, society and the environment. The communication must include how the risk has been identified and managed as well as what effects the measures/activities have achieved. According to Section 4 of the Transparency Act covered businesses must annually publish a report of due diligence assessments.

5.A. MONITORING AND EVALUATION

5.A.1. DESCRIBE HOW THE BUSINESS COMMUNICATES WITH AFFECTED SUPPLIER ABOUT THE MANAGEMENT OF NEGATIVE IMPACT/DAMAGE

We have planned meetings with suppliers. If we have challenges or important matters, we inform the parties concerned as quickly as possible, and follow up on this.

5.A.2. DESCRIBE HOW THE BUSINESS COMMUNICATES PUBLICLY ABOUT ITS OWN WORK IN MAPPING AND MANAGING NEGATIVES IMPACT/DAMAGE

We share information on our website and in our SoMe channels (Instagram, Facebook and Tik Tok), both in the form of text and video clips.

We are open with our own practices and all inquiries, both internal and external, are answered to the best of our ability.

5.A.3. DESCRIBE THE COMPANY'S ROUTINE FOR HANDLING AND RESPONDING TO EXTERNAL INQUIRIES RELATED TO THAT INFORMATION REQUIREMENT WHICH IS IMPOSED ON COMPANIES ACCORDING TO THE TRANSPARENCY ACT.

Consumers and others with an interest can contact us via our website or social media. We can also be reached by phone or by visiting our playcenter. Our customer contacts are aware of the requirements in the Public Disclosure Act and have an overview of which contact persons who can respond to the various types of requests. All inquiries must be answered within a reasonable time and i in accordance with requirements in the legislation.

6. RESTORATION WHERE THIS IS REQUIRED

When an activity has identified that it has caused or contributed to damage to people or society, the damage is managed by ensuring recovery, or collaborate on recovery. Restitution may involve financial compensation or compensation, public apology or that the damage is remedied in another way. It is also about that ensure access to grievance systems for workers and/or local communities so that they can get his case heard and dealt with.

6.A. RECOVERY

6.A.1. DESCRIBE THE COMPANY'S POLICY FOR RECOVERY IN THE EVENT OF NEGATIVE CONSEQUENCES FOR PEOPLE, SOCIETY AND THE ENVIRONMENT

There have been no cases of recovery with negative consequences for people, the environment and society. We have a clear goal to contribute to recovery where needed, and takes responsibility where appropriate. Our ethical guidelines says the following:

“ Our Code of Conduct does not cover all situations, relevant laws, regulations and internal policies. On occasion, you may face situations where it is difficult to determine what is the right thing to do. In such cases, you should use your sound judgment and ask yourself the following questions: 1. Is this consistent with our Code of Conduct, our policies/guidelines and the law? 2. Am I comfortable with it? 3. How would it feel if it was shared with others? 4. Could this harm the reputation of Leo's? If you are unsure about what to do in a particular situation, you would be wise to ask your manager for advice.”

6.A.2. DESCRIBE WHAT THE BUSINESS DOES TO ENSURE THAT EMPLOYEES AND OTHER WITH INTREST, IN PARTICULAR AFFECTED WORKERS AS WELL AS LOCAL COMMUNITIES HAVE ACCESS TO NOTIFICATION CHANNELS AND COMPLAINT MECHANISMS, WHEN APPLICABLE

Leo's has adopted a whistleblower policy to make it possible for employees of Leo's to anonymously report any serious and sensitive concerns. The business integrity of Leo's is non-negotiable. We are committed to conducting our business in accordance with the law and high ethical standards.

CONTACT INFORMATION:

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