

## 3 – Management, Codes & Policies

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### **3.1 Introduction**

Kid ASA strives towards responsible business conduct that respects people, society, and the environment. To achieve responsible business conduct The Group wish to work in close partnership with the suppliers and business partners. Kid ASA considers collaboration to be a prerequisite for responsible business conduct, and key to the achievement of the UN Sustainable Development Goals.

The policy for responsible business conduct forms the basis for the Group's sustainability work, including in the supply chain. The Group seek to improve the policy and practice where relevant. You can find more information about the sustainability work here <https://investor.kid.no/>.

The suppliers and partners can expect from Kid ASA that the purchasing practices strengthen, and do not undermine, their opportunity to deliver on the requirements related to people, society, and the environment. Kid ASA always seeks collaboration in order to achieve responsible business conduct. However, the Group will end business relationships or other forms of collaboration if the supplier or partner does not meet the expectations for responsible business conduct.

The purpose of this document is to describe Kid ASA's requirements towards suppliers of products in sustainability related issues. The following requirements shall be ensured by suppliers of products to Kid ASA.

This sustainability chapter regarding Management, Codes & Policies encompasses the Kid ASA general requirements for suppliers and their production sites regarding social compliance, product safety, quality, health and environment. This document serves as an umbrella under which all the documents containing product specific requirements (PSRs) and product specifications concerning product safety, chemicals, quality, health and other requirements are gathered. For all product groups there is such a specifying document.

Please note that detailed requirements stated in relevant attached PSRs and product specifications shall also be considered and complied with. For some products more than one PSR is applicable.

The chapter with relevant PSR's is valid at all times for products supplied to Kid ASA.

This sustainability chapter regarding Management, Codes & Policies and PSRs will be updated on a regular basis. Please make sure that you at all times use the latest version and that you use all PSRs that affect your products. The latest version is available at <https://www.kid.no/supplier>.

Suppliers shall ensure that these requirements are communicated and implemented to all sub-suppliers.

### **3.2 Legal and other general requirements**

Suppliers shall ensure compliance with current and applicable national and European legislation and regulations including national interpretations, within the areas of quality, health, environmental and social compliance. Suppliers shall, in all their activities, follow national law in the countries in which they operate.

The supplier shall always possess relevant regulatory approvals and comply with applicable regulatory requirements concerning its own operations.

The supplier shall, if required by law, obtain the necessary environmental permits for running its production and/or other operations, e.g. permits with regards to effluent treatment of plants and emissions.

Suppliers shall ensure compliance with applicable product quality laws and regulations regarding product safety, hygiene in production, risk analysis, shelf-life, traceability, documentation, and labelling. Regarding further specific applicable legislation please refer to relevant PSR.

The supplier undertakes not to provide benefits that can risk being inappropriate to anyone at Kid ASA or a third party. The supplier shall have rules and regulations in place to prevent bribery, corruption

and conflict of interest, which shall at all times be applied in cooperation with Kid ASA. Kid ASA follows the guidelines regarding business relationships which have been formulated in the Business Code<sup>1</sup>. Where national law or local generally accepted practices are more stringent than Kid ASA requirements, such local provisions must be respected.

- The supplier is to avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian, Swedish, Finnish and/or Estonian Government authorities or the European Union.

### **3.3 General supplier requirements**

#### **3.3.1 General**

Kid ASA shall, in agreement with the supplier, always be entitled to visit the supplier's production sites.

Production sites in any country may be subject to a third-party audit accepted by Kid ASA.

Kid ASA reserves the right to perform unannounced re-audits within an agreed stated time-window if there are reasons to believe that any of Kid ASA's requirements are not fulfilled.

Kid ASA requires all production sites, belonging to the supplier, to have a unique GLN-code. Kid ASA have the right to relevant information about production sites. Unauthorized subcontracting is not allowed.

Documentation concerning sustainability matters is required<sup>2</sup> and shall always be submitted to the Group. All suppliers shall ensure that all production sites located in medium-, and high-risk countries have a Sedex membership and that a valid and complete Self-Assessment Questionnaire (SAQ) and Environment Self-Assessment Questionnaire (ESAQ) is maintained at all times. For production sites located in low-risk countries, Sedex membership and completion of the SAQ and ESAQ shall be considered recommended but not mandatory.

The country risk classification is based on the *Sedex Radar - Country and region risk tool*.

#### **3.3.2 Quality management systems**

In the sections below an overview of requirements to supplier concerning quality management systems relevant for the different business areas is provided. At all times, suppliers shall also put corresponding demands on their sub-suppliers.

For a more comprehensive compilation of quality systems and standards accepted by Kid ASA please refer to relevant PSR.

Suppliers shall base their quality assurance on due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by your actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing a remedy.

Suppliers of Corporate Brand products should implement a third-party certified management system for quality, preferably ISO 9001.

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<sup>1</sup> Code regarding gifts, rewards and other benefits in the business community which is managed by the Swedish Anti-Corruption Institute (IMM) and ETI basecode (<http://www.institutetmotmutor.se/en/publications/business-code/>).

<sup>2</sup> Brand owned by Kid/Hemtex or where the supplier is not well known so that Kid/Hemtex is expected to take responsibility for sustainability issues.

#### **3.3.2.1 Personal Care**

Suppliers of personal care products, e.g. cosmetics, personal hygiene and hygiene products shall be certified in accordance with the British Retail Consortium Global Standard for Consumer Products (BRCCP) or the IFS standard for Household and Personal Care Products. For cosmetics and hygiene products ISO 22716 is also an accepted standard.

#### **3.3.2.2 Near Food**

Suppliers of near food products, e.g. household detergents, storage for food, household paper, shall be certified in accordance with ISO 9001, BRCCP or IFS standard for Household and Personal Care Products.

### **3.3.3 Environmental work**

#### **3.3.3.1 Environmental management systems**

Suppliers and their factories shall present an active internal environmental work including an environmental policy, environmental goals and plans in order to reduce the environmental impact from production and/or other operations. The supplier shall within the scope of the environmental work regularly follow-up the environmental impact of its operations, including how to minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.

The established management system may preferably be certified/registered in accordance with a third-party standard. Kid ASA's preferred standard/regulation is ISO 14001 and Eco-Management and Audit Scheme (EMAS) respectively. SMETA 4-pillar audit, Amfori BEPI and OEKO-TEX® STeP are also accepted as environmental performance audits.

#### **3.3.3.2 Producer responsibility**

The supplier or, where applicable, responsible importer of a product shall be affiliated to recycling organizations and producer responsibility systems generally applicable for each respective market or shall be able to demonstrate that their products and packaging material are processed in some other acceptable manner.

#### **3.3.3.3 Energy use**

Suppliers should measure and record the use of energy for all its operations. Suppliers should also upon request state what kind of energy source is used on any production site. Targets for reducing the environmental impact from the use of energy and water should be in place and reviewed regularly.

#### **3.3.3.4 Water use**

If water is a significant sustainability aspect, suppliers should measure and record use of water for all its operations. Targets for reducing the environmental impact from the use of water should be in place and reviewed regularly.

#### **3.3.3.5 Climate responsibility**

Suppliers should measure CO<sub>2</sub>e emissions from all its operations. Targets for reducing CO<sub>2</sub>e emissions should be in place. The targets shall be submitted to Kid ASA upon request. In choices of production method, transportation distance and mode of transport Kid ASA requires suppliers to take climate impact into account. Air transportation may only be used if specifically agreed by Kid ASA in exceptional cases.

#### **3.3.3.6 Use of chemicals**

Suppliers shall establish and maintain a list of all chemicals used in production or other operations. All personnel handling chemicals shall have adequate competence. It is important to use proper PPE (Personal Protective Equipment) while working with chemicals. On the MSDS (Material Safety Data Sheet) for each chemical there is information for appropriate PPE to be used for that particular chemical, e.g. gloves, apron and face shield and more.

### **3.3.4 Social compliance requirements**

#### **3.3.4.1 General**

Suppliers shall adhere to and be able to demonstrate that products supplied to Kid ASA are ethically acceptable in order to live up to the customer's expectations.

Products shall be manufactured in a manner that complies with requirements based on the United Nation (UN) and International Labour Organization (ILO) conventions.

#### *No harmful child labour.*

In accordance with ILO Conventions 10, 79 138 and 182 and Recommendation 146.

- Harmful child labour means labour where children are exploited economically, prevented from receiving an education, or where their health or physical and social development is jeopardized. Child labour is prohibited as defined by ILO and United Nations Conventions and/or by national or regional law. A child in this context is defined as any person less than 15 years of age according to ILO Minimum Age Convention no. 138, unless local minimum age law stipulates a higher age, in which case the higher age would apply
- Any employees over the age of a child and under the age of 18 should be considered as "young workers" with clear limits on working hours and overtime. The rights of "young workers" must be protected. The children shall be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.
- If a child is found in any place of production, Kid ASA will require that the measures taken by the supplier take the child's best interests into consideration. Kid ASA will not ask the supplier to dismiss a child without a discussion about the child's future. Any costs for education etc have to be paid by the factory.

#### *Forced and compulsory labour*

ILO Conventions Nos. 29 and 105

- There shall be no forced, bonded or involuntary prison labour.
- Workers shall not be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

#### *No discrimination*

ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women

- There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

#### *No Harsh or Inhumane Treatment*

- Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

#### *Health and Safety*

ILO Convention No. 155 and ILO Recommendation No. 164

- The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

- The supplier shall provide and pay for all appropriate Personal Protective Equipment (PPE) to all workers in any harmful or potentially risky work area(s). The supplier must ensure that the PPE is maintained and worn when needed.
- Machines shall have satisfactory and functional safety devices which shall be maintained on a regular basis.
- Employees shall be given the necessary and adequate safety training before operating machines and other equipment.
- First aid equipment is mandatory in all work areas, shall be adequately stocked and available to all co-workers.
- A doctor or nurse should be available at short notice, in case of an accident in the factory. Any costs for medical care that are followed by an injury in the factory, shall be paid by the employer
- All buildings shall be inspected and approved by the fire authorities
- The factory shall have a sufficient number of exits, and these shall remain unlocked and free from obstruction in case of fire or other emergency situations. The supplier shall have an independent and functioning evacuation alarm. Evacuation plans shall be easily visible at the entrance of the production area. Fire extinguishers are mandatory in all work areas and shall be easily visible and accessible to all workers. The supplier must ensure that the firefighting equipment is maintained regularly. All employees shall be informed and drilled about the evacuation plan. The supplier shall have an adequate number of employees trained to use firefighting equipment in each work area, covering all production shifts.
- The lighting must be sufficient so as to ensure safe working.
- The factory shall be ventilated according to legal requirements.

#### *Freedom of Association and the Right to Collective Bargaining*

ILO Conventions Nos. 87, 98, 135 and 154

- Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.
- Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

#### *Wages*

ILO Convention No. 131

- Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.
- All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.
- Deductions from wages as a disciplinary measure shall not be permitted.

#### *Working Hours*

ILO Convention No. 1 and 14

- Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours.
- Workers shall be provided with at least one day off for every 7-day period
- Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.
- Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see point 1 above), minimum in accordance with relevant legislation.

#### *Regular Employment*

ILO Convention No. 95, 158, 175, 177 and 181

- Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short-term contracting

(such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

- All workers are entitled to a contract of employment in a language they understand.
- The duration and content of apprenticeship programs shall be clearly defined.

#### *Marginalized Populations*

- Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

#### *Housing*

- Factories providing housing for their workers must ensure reasonable cleanliness, privacy, quietness, personal hygiene and access to clean drinking water.
- Dormitories shall comply with local laws pertaining to health and safety (including fire safety, sanitary equipment, general security, as well as electrical, mechanical and structural equipment).
- No restrictions shall be applied which interfere with the employee's right to leave the housing facility during his / her free time.
- The living space provided per individual shall be according to the legal requirements, and if there are no such requirements, the area shall be a minimum two square meters per person. There shall be provided an individual bed / mattress or sleeping mat for each person.
- Separate accommodations, toilets and washing facilities shall be available for men and women respectively.
- All workers are to have their own lockable storage space for clothes and personal belongings.

#### **3.3.4.2 Management Systems and Social Audit Schemes**

##### *Management systems*

The management system is key to the implementation of the code of conduct. Kid ASA emphasises the importance of suppliers having systems that support such implementation. Kid ASA's expectations in this regard are summed up in the following measures:

- The supplier should make a centrally placed employee responsible for the implementation of the code of conduct in the supplier's business.
- The supplier must make the code of conduct known in all relevant parts of its organisation, in a language understood by the organisation.
- The supplier must refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of this code
- The supplier must obtain Kid ASA's consent prior to outsourcing production or parts of production to a sub-supplier/contractor, if this has not been agreed in advance.
- The supplier must be able to give an account of where goods ordered by Kid ASA are produced.
- The supplier shall maintain appropriate records to demonstrate conformance to the requirements of this code and shall be able to provide reasonable information and access to parties approved by Kid ASA seeking to verify conformance.
- The supplier will make observance of this Code of Conduct a condition of all agreements that it enters into with subcontractors. These agreements shall oblige these subcontractors to conform to all requirements of this code and participate in the supplier's monitoring activities as requested.
- Regarding the use of agents, or several factories or suppliers that have sub-contractors, all links shall be traceable concerning manufacturing location with respect to the manufactured goods delivered to Kid ASA.
- All suppliers and manufacturing facilities shall be able to provide documentation of their living wage calculations upon request by the Group. The methodology should ideally be based on the anker methodology.

##### *Social audit schemes*

To evaluate the compliance of this Code of Conduct Kid ASA will make use of audits either by own personnel or by approved third parties. The Group reserve the right to monitor the compliance of this

Code of Conduct by systematic, unannounced or announced inspections, conducted by Kid ASA personnel or independent auditors.

Kid ASA requires that suppliers and their production sites revise their policies in accordance with Sedex SMETA protocol or Amfori BSCI (Business Social Compliance Initiative).

Suppliers should provide a genuine valid audit certificate/report showing the correct name and address of their production sites. The business license should match with the certificate/report and the report should not indicate any severe violations.

Kid ASA may, following an internal investigation, also accept equal monitoring or certification systems in place at supplier's production sites.

Kid ASA's Code of Conduct sets the standard expected to be met by all the suppliers and partners during operation and manufacturing. The Group are fully aware that all expectations can't be met immediately, but these as well as non-compliances are to be settled by corrective actions by the supplier. If repeated violations are established without any effort by the supplier to take appropriate actions, it is the Group's duty to terminate the cooperation with such suppliers.

If you need more information regarding the above, please do not hesitate to contact us.

Kid ASA accepts the following social audit systems:

- SMETA (4-pillar is required)

Amfori BSCI (Business Social Compliance Initiative)

#### **3.3.4.3 High risk countries**

Production sites in medium-, and high-risk countries shall be subjected to a valid third-party certification or other valid equivalent monitoring/certification system accepted by Kid ASA.

Kid ASA's list of high-risk countries is based on the Sedex Radar tool's list of risk countries based on the Worldwide Governance Indicators (WGI) of the World Bank.

#### **3.3.4.4 The Accord**

Kid ASA is a signatory of The Accord on Fire and Building Safety in Bangladesh and Pakistan ("The Accord") which means that production units in Bangladesh and Pakistan that Kid ASA is sourcing directly from will be involved, and is expected to agree to be involved, in the work for a safe work environment in accordance with The Accord agreement. All suppliers of Corporate Brands that source in Bangladesh and Pakistan are expected to be a signatory of the Accord and fulfil the commitments accordingly.



### **3.4 General product requirements**

In the sections below, general product requirements are explained. Please note that detailed requirements stated in relevant attached PSRs shall also be considered and complied with. For some products more than one PSR is applicable.

#### **3.4.1 Safe products**

Only safe products, i.e. products that do not pose a threat to people's health, property or the environment, shall be supplied to Kid ASA. This assessment shall be based on a risk analysis. Required safety information, allowing consumers to assess and protect themselves against any risks associated with a product, shall be provided in the official language of the country where the product is sold to end-customer.

#### **3.4.2 Testing requirements**

Raw materials, processes and end products shall be tested to such an extent that product safety, list of ingredients and quality can be guaranteed by the supplier.

#### **3.4.3 Traceability and recall systems**

##### **3.4.3.1 Traceability**

Products and packages shall be traceable back to the production batch and production site. Export cartoons shall be labelled according to section Logistic, Marking and Packing Instructions. The origin of raw materials shall be traceable.

All products sold by Kid ASA should for the sake of transparency be provided with information on the products' country of origin. All information shall be frank, honest and quality assured.

##### **3.4.3.2 Recall (withdrawal) systems**

Suppliers shall have a clear routine in place to ensure effective recalls or withdrawals of products. The routine shall be tested on a regular basis to ensure that it is updated and working in practice. The routine shall include informing members of Kid ASA, which have the relevant product in the assortment and include such entities in the discussions about product(s) involved. In the event it is necessary to recall products due to defects, the supplier shall compensate Kid ASA for all costs and damages due to a recall or withdrawal.

#### **3.4.4 Certified products and materials**

All products and materials claimed to be more sustainable shall be verified with relevant and applicable documentation and certification.

##### **3.4.4.1 Scope Certificate and Transaction Certificates**

All products certified according to standards based on the Content Claim Standard (GOTS, OCS, GRS, RCS, RDS, RWS) must be documented with a valid Scope Certificate (SC) from the first-tier supplier delivering the products to Kid ASA. Each purchase order involving certified products must be verified with a valid Transaction Certificate (TC). issued from the supplier and sent to Kid Interior AS, Hemtex AB or Kid Sourcing AS, latest by the time the order is delivered at Kid ASA warehouses.

Kid ASA's license numbers (Certified by IDFL) for each standard are listed below, and shall be included in the TC:

Responsible Down Standard (RDS) – TE-99970086

Responsible Wool Standard (RWS) – TE-99970086

Recycled Claim Standard (RCS) – TE-99970086

Global Recycled Standard (GRS) – TE-99970086

Organic Content Standard (OCS) - TE-99970086

### 3.5 Kid ASA Product Policy

#### 3.5.1 Animal welfare

This policy refers to **all materials** that originate from animals, such as animal hair, fibres, leather, hide, fur, feathers, down, teeth, horn, tusks and bone.

Materials **must not** originate from vulnerable or endangered species (IUCN Red List of Threatened Species). All parties involved, handling the animals and/or the materials, **shall** follow national and international legislation regarding forbidden materials. They **must** also respect and follow international agreements, such as the Convention of International Trade in Endangered Species (CITES).

All suppliers are **urged** to provide as detailed information as possible regarding the origin of the materials.

##### Objective

The objective of this policy is to encourage, promote and strive to secure good husbandry practices and considerate treatment of animals throughout the production chain, from farm to stockyard and slaughter house, including all handling of animals in connection with breeding, transports, harvesting and shearing and the like, regarding products and materials which originate from animals. Suppliers are strongly encouraged to strengthen the control over their respective part of the supply chain and to place the same demands on their sub-contractors.

##### Basic requirements

All Suppliers **must** follow national and international legislation regarding animal welfare.

Breeders and all parties handling the animals should adhere to their Five Freedoms defined by the EU Farm Animal Welfare Council/World Organisation for Animal Health (OIE).

The five freedoms are:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behaviour
- Freedom from fear and distress

Production sites should preferably use a third-party system to ensure acceptable animal welfare. Antibiotics and/or hormones shall not be used for preventive purposes in animal husbandry.

##### 3.5.1.1 Down and feathers

Down and feathers **must** originate from slaughtered birds bred for meat production. Down and feathers **must not** originate from farms practicing live plucking or force feeding.

All down must have RDS certificate or Downpass. Recycled down must be GRS certified.

All down and feathers must be carefully washed and sterilised before used in Kid ASA products. Certificate that ensures this must be sent to Kid ASA.

##### 3.5.1.2 Leather/skin

Leather and skin **must** originate from animals bred for meat production.

Leather or skin **must not** originate from aborted animals, including but not limited to astrakhan, broadtail, krimmer, karakul, Persian lamb, slink or swakara.

Leather **must not** originate from Indian cow, calf or ox.

##### 3.5.1.3 Fur

Fur is **not allowed**. Instead, artificial fur made of synthetic fibres can be used.

This does not include fleece, sheepskin or leather with its hair attached to the skin, typically used as leather, or synthetic fur.

##### 3.5.1.4 Animal Hair & Wool

Only hair from living and domesticated animals is allowed, including but not limited to sheep, goat, alpaca, lama, camel, cow, buffalo, yak, horse and pig.

Hair and wool **must not** originate from animals that have been handled, harvested or sheared in a way that harmed the animals. Rabbit hair (Angora) is **not allowed**.

Kid ASA encourage the suppliers to work with RWS (Responsible wool standard)

**3.5.1.5 Mulesing**

Wool **must not** originate from sheep that have been subject to mulesing or from farms which practice mulesing.

**3.5.1.6 Cage breeding**

Animal hair or fur **must not** originate from animals reared in cages for their hair, skin, leather or fur, including but not limited to rabbit, mink, raccoon, marten, fox, squirrel, sable, chinchilla or ferret.

**3.5.1.7 Wild-caught animals**

Materials (for example skin, hair or bone) **must not** originate from wild animals that have been trapped using primitive trapping methods or devices, including but not limited to alligator, beaver, chinchilla, crocodile, fox, lizard, marten, mink, otter, racoon, sable, snake and squirrel.

**3.5.1.8 Reptiles**

Materials (for example skin, bone, teeth or claws) **must not** originate from reptiles, including but not limited to alligator, crocodile, lizard and snake.

**3.5.1.9 Animal testing**

Cosmetic and hygiene products **must not** be tested on animals, either during production or as finished products.

In addition, other materials or ingredients that have been tested on animals are **not allowed**, including but not limited to glue and self-adhesives.

**3.5.2 Agriculture & Forestry**

Suppliers should ensure responsible management of natural resources and sustain:

- long-term sustainable agriculture and forestry,
- biological diversity,
- reduction of deforestation.

Suppliers should ensure sustainable production of raw materials and products with a major impact on the environment.

**3.5.2.1 Agriculture**

- Suppliers shall ensure that products that contain raw material with a major impact on the environment, such as soy and palm oil, originate from sustainable farming.
- Certificates from RSPO, Roundtable of Sustainable Palm Oil, that ensure this must be sent to Kid ASA.
- Suppliers should strive to reduce the use of pesticides.

**3.5.2.2 Forestry**

- Suppliers shall ensure that raw material originate from sustainably grown forests.
- All wood and paper shall be certified according to FSC or PEFC.
- All timber used must meet the requirements in the EU Timber regulation (soon EU Regulation on Deforestation-free Products).
- Wood from tropical tree species shall be certified in accordance with the requirements of the Forest Stewardship Council (FSC). Certificates that ensure this must be sent to Kid ASA.
- Products or packaging shall not contain wood or wood-based fibre from unwanted sources, such as:
  - Illegally harvested or traded wood.
  - High value tropical tree species, like teak, meranti, rosewood and mahogany.
  - Areas where High Conservation Value Forests (HCVF) are threatened.
  - Wood harvested in violation with human rights.

**3.5.3 Plastics**

- Microplastics defined as particles with the size of 1 nm- 5 mm, must not be added in Kid ASA products.
- Kid ASA do not allow single use products in its assortment to be made from plastic material.

### **3.5.4 Sandblasting**

Sandblasting is **not ok** to use for Kid ASA products. Sandblasting has the risk of causing silicosis to the workers.

### **3.5.5 Preferred cotton**

Kid ASA is aware of the risk and environmental impacts cotton production has, both with regards to working conditions, risk of child labor as well water usage and use of chemicals.

All cotton used in Kid ASA products must originate from more sustainable cotton defined as Better Cotton, Cotton Made in Africa, organic cotton (GOTS, OCS), recycled cotton or other types of certified cotton which have a better impact on labour, cotton producing communities and the environment.

All suppliers of Better Cotton shall be registered in the Better Cotton Platform. All valid certificates and transaction certificates shall be sent to Kid Interior, Hemtex AB or Hemtex 24h respectively.

### **3.5.6 Ban of cotton from specific areas**

#### **3.5.6.1 Uzbekistan**

Due to the current situation in Uzbekistan with the systematic use of forced child or adult labour in the harvest of cotton, it is prohibited to use cotton from this region in any product for Kid ASA. This policy will remain in place until the International Labour Organization can verify that the Government of Uzbekistan ends this practice.

#### **3.5.6.2 Xinjiang - Northwest region of China**

Due to the current situation in the Xinjiang region, located in northwest of China, with the risk of systematic use of forced child or adult labour in the harvest of cotton, it is prohibited to use cotton from this region in any product for Kid ASA. This policy will remain in place until the International Labour Organization can verify that the forced labour situation has ended and is under control.

### **3.5.7 Packaging and recycling**

Packaging shall be safe for the consumer and ensure the quality of the product. It shall protect the product and not have a negative impact on it. It should be easy to handle. Packaging waste and environmental impact should be minimized throughout the life cycle.

Products and its packaging shall be labelled with information that facilitates sorting and recycling. Instructions shall be provided on product and/or packaging in the official language of the country where the product is sold to end-customer. Please refer to relevant PSR regarding recommended sorting instructions on each applicable market.

### **3.5.8 Ban of PVC and PFAS**

Chemical substances of certain concern as defined in chapter 4.2 are restricted in products and packaging as delivered to Kid ASA.

Kid ASA have restricted the use of PVC and PFAS in products and packaging.

Exceptions, as decided by Kid ASA, can be made if specific technical and/or quality requirements exist or if there are no equivalent materials on the market.

Should PVC be accepted as an exception, the following substances are not allowed in the material:

- Plasticizers: DINP, DIDP, DNOP or any plasticizer in the REACH candidate list.
- Metal based stabilizers: tin (Sn), cadmium (Cd) and lead (Pb).
- Bisphenols,
- SCCP
- Any chemical substance listed in the REACH Candidate list.

### 3.5.8.1 Substance documentation and test results

Suppliers shall within 20 calendar days upon request provide Kid ASA with complete and valid documentation, stating possible substances on the REACH candidate list in chemical mixtures, articles or packaging.

### Revision log version 2.0: Chapter 3 Kid ASA Management codes and policies.

3	General formatting updates
3.3.1	<ul style="list-style-type: none"> <li>- Updated requirements Sedex registration and audit for low-, medium- and high-risk countries</li> <li>- Revised the source for country risk classification</li> </ul>
3.3.3.1	<ul style="list-style-type: none"> <li>Added factories to the requirements, in addition to 'suppliers'</li> <li>Added OEKO-TEX® STeP as accepted environmental audit</li> </ul>
3.3.4.2	<ul style="list-style-type: none"> <li>- Updated from 'recommend' to 'requiring' for social audit protocols</li> <li>- Removed SA8000 as an accepted social performance certificate/audit protocol</li> <li>- Revised the source for country risk classification from Amfori BSCI to Sedex Radar Tool</li> <li>- Added requirement of living wage calculations to be presented to Kid group</li> </ul>
3.5.8	Added ban on Bisphenols and SCCP for PVC exceptions.