



Rapport for

# Bærekraftig forretningspraksis 2019

for Barnas Hus Norge AS - BH Nordic AS

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# Til lesere av rapporten

Næringslivet spiller en nøkkelrolle i å oppnå FNs bærekraftsmål. Et velfungerende og ansvarlig næringsliv bidrar til bærekraftig utvikling gjennom verdi- og jobbskaping, og med nye løsninger på globale utfordringer. Likevel kan virksomheter også medvirke til negativ påvirkning på mennesker, samfunn og miljø. Medlemmer i Etisk handel Norge har derfor forpliktet seg til å jobbe med aktsomhetsvurderinger for å jobbe for mer bærekraftig forretningspraksis.

Til grunn for dette arbeidet ligger Etisk handel Norges prinsipper som dekker områdene anstendig arbeid, menneskerettigheter, miljø/klima, antikorrupsjon og dyrevelferd. Medlemmene er forpliktet til hvert år å rapportere om hvilke utfordringer de står overfor og hvilke tiltak som gjennomføres for å håndtere utfordringene. Nå i 2020, er rapporteringsmalen ny og er bygget rundt OECDs modell for aktsomhetsvurderinger. Det er nytt for oss, og det er nytt for våre medlemmer. Det er denne rapporten du sitter med nå. Rapporten er offentlig tilgjengelig.

Malen for medlemsrapporteringen søker å svare på forventningene til arbeid med ansvarlig næringsliv og bærekraftig forretningspraksis som beskrevet i FNs veiledende prinsipper for næringsliv og menneskerettigheter og OECDs retningslinjer for flernasjonale selskaper. Rapporteringen til Etisk handel Norge dekker vesentlige elementer i rapporteringsrammeverket til Global Report Initiative (GRI) og kan benyttes som framdriftsrapport til Global Compact.



**Heidi Furustøl**

*Daglig leder*

Etisk handel Norge

# Aktsomhetsvurderinger

Denne rapporten er bygget rundt FNs veiledende prinsipper for næringsliv og menneskerettigheter og OECDs modell for aktsomhetsvurderinger for ansvarlig næringsliv.

Modellen har seks trinn som beskriver hvordan virksomheter kan jobbe for mer ansvarlig og bærekraftig forretningspraksis. Å være god på aktsomhetsvurderinger betyr ikke at en virksomhet ikke har negativ påvirkning på mennesker, samfunn og miljø, men heller at virksomheten er åpen og ærlig om utfordringer og håndterer dette på best mulig måte i samråd med sine interessenter. Denne rapporten er delt inn i kapitler basert på denne modellen.

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# Forord av daglig leder

Barnas Hus Norge AS is a leading retailer in Norway selling clothing, nursery, strollers and car seats for small children. The chain has 25 stores across the country and an online webstore; [www.barnashus.no](http://www.barnashus.no).

Our vision is that "we will create a better everyday life for the little ones - and for everyone who loves children"

For us, this vision is an important guiding star and a good reminder in our daily lives that we should focus on design, quality and of course safety and security in everything we do. In addition, we have four basic values that will characterize our everyday life in the company - simple - enthusiastic - change willing and responsible. Through the value "responsible", we are concerned, among other things, with ethical trading and issues around the purchase of products from other cultures.

Barnas Hus has therefore focused on ethical trading for several years and joined IEH in 2013.

We sell clothing and equipment from leading retailers but are also a proud manufacturer of the Reflex clothing brand. Through Reflex we focus on "children's working clothes" - reasonable clothing that keep children dry and warm in kindergarten, on outdoor trips and in play.

The clothes from Reflex are designed in Norway through a collaboration with the company SULU AS and they contribute to this report.

We are very pleased with this collaboration, and we find that SULU AS makes a good contribution to quality assuring our textile production in line with our code of conducts and agreements with each manufacturer with whom we trade.

We are confident that SULU AS has a close cooperation with close follow-up of our suppliers in accordance with Barnas Hus's criteria. Nevertheless, we have had a desire for greater insight and increased knowledge among our own employees. Therefore, in both 2018 and 2019, we made factory visits to our largest suppliers in China, where SULU AS along with CEO and Category Manager Textiles and shoes in Barnas Hus made visits together. This provided useful insight, and a guarantee that our responsibility towards our customers in Norway and to our production plants in Asia is in the best hands of SULU AS.

**" Reflex - childrens working clothes - with safety and sustainability in focus "**

Lasse Erik Moen  
*CEO*

# Nøkkelinformasjon om bedriften og leverandørkjeden

## Nøkkelinformasjon om bedriften

### Navn på bedriften

Barnas Hus Norge AS - BH Nordic AS

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### Adresse hovedkontor

Grenseveien 107A, 0663 Oslo

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### Viktigste merker, produkter og tjenester

Reflex. Kids and babies garments 0-10y

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### Beskrivelse bedriftens struktur

Barnas Hus Norge AS is a subsidiary of BH Nordic AS. The stores including the online store are organized in Barnas Hus Norge AS, while the service office and central warehouse are organized in BH Nordic AS. Purchases of goods from Asia (Reflex) are made from the category department on behalf of all the stores. Sulu AS coordinates our design and sourcing from Asia.

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### Omsetning i rapporteringsåret (NOK)

557 000 000

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### Antall ansatte

330

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### Vesentlige organisatoriske endringer siden forrige rapportering (fusjoner, oppkjøp eller lignende)

We have purchased two stores from competitors in 2019

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### Navn, tittel for kontaktperson for rapporten

Lasse Erik Moen, CEO

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### E-post adresse for kontaktperson for rapporten

lasse.erik.moen@bhnordic.com

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## Informasjon om leverandørkjeden

### Generell beskrivelse av bedriftens innkjøpsmodell og leverandørkjeden

Reflex - privat label

All design, development and sourcing made in Norway.

Even though we have a wide range of products, we maintain a limited number of suppliers. Approx 75% of business is direct with manufacturer/producer. Approx 25% is business through agent.

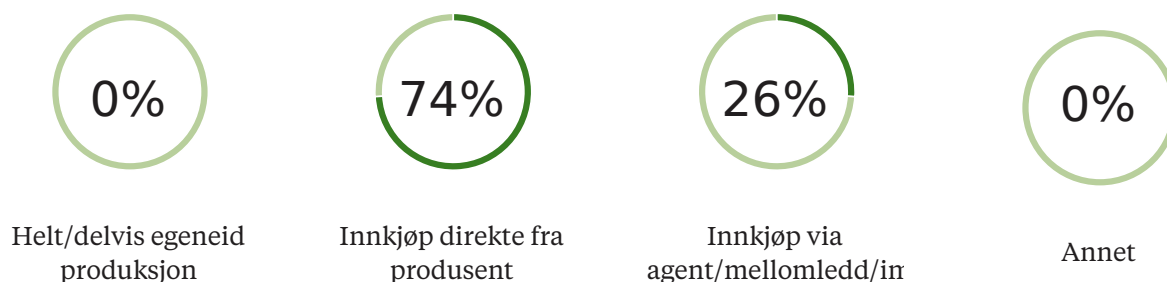
### Antall leverandører som bedriften har hatt kommersielle relasjoner med i rapporteringsåret

14

### Kommentar

These are manufacturers, mainly from China, which produce our own brand Reflex which is children's clothing. This brand accounts for approximately 25% of total sales in Barnas Hus - remaining sales are purchased from external brand suppliers.

### Type innkjøp/ leverandørforhold



Percentage above, and used in this report, is based on pcs garments.

If focusing on total turnover, above result would be 75% direct purchase, and 25% through agents.

### Liste over førsteleddsprodusenter per land

Kina :	11
Sri Lanka :	1
India :	1
Sør-Korea :	1

6 of 11 suppliers in China are manufacturers/producers. Remaining 5 are trade companies.

1 supplier in Sri Lanka is manufacturer/producer.

1 supplier in India is manufacturer/producer.

1 supplier in South Korea is trade company.

Oppgi antall arbeidere hos førsteleddsprodusenter som bedriften har oversikt over, og hvor mange produsenter er dette basert på.

**Antall arbeidere**

2 360

**Antall produsenter dette er basert på**

8

**Kommentar**

Total number of workers is from 8 different manufacturers with total 11 different production units. Numbers are complete and cover all manufacturers/producers in first tier in our supply chain. Numbers of workers in trading companies and their supply chain

**Viktigste innsatsfaktorer/råvarer og geografi**

<b>Wool</b>	Australia
<b>Cotton</b>	India

**Er virksomheten leverandør til offentlig sektor?**

Nei

## Mål og fremdrift

### MÅL OG FREMDRIFT I RAPPORTERINGSÅRET

1

- Mål :** The aim has been to lay the foundation for sustainable business practice. In collaboration with suppliers by mapping risk, conducting some audits on working conditions and increasing the input factors in relation to environmentally friendly products
- Status :** We have come a long way in all these areas and we have made factory visits to all our suppliers. We have set targets for further development in these areas in 2020 as below.

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### MÅL FOR KOMMENDE ÅR

1

Internal commitment regarding sustainable business practice:

- \* Create minimum criteria in this area in collaboration with suppliers in China - June 2020 - send these out by August 2020
- \* Follow-up of the criteria in supplier meetings

Improve and develop sustainability practices

- \* Increase the proportion of certified cotton in our products
- \* Increase the proportion of recycled material in our outerwear
- \* Motivate more suppliers to certify on Eco Tex
- \* Increase the proportion (90%) signed chemical agreement
- \* Start the job of introducing reporting system for non-conformity in HSE (3 main factories)
- \* Mapping energy consumption (renewable) in 60% of factories

Risk mapping of the supply chain

- \* Continue ongoing mapping - updated to November 2020

Social responsibility in the supply chain

- \* Completed complete audit (70%) during 2020
- \* 85% of them must have achieved grade A, B or C
- \* Remaining with signed CoC
- \* Decision on QUIZRR by April 2020





# 1

## Forankring av bærekraft i virksomheten

Forankring av bærekraft i virksomheten handler om å ha relevante policyer og retningslinjer på plass, og effektive styringssystemer for implementering av disse. Sentralt i dette er virksomhetens arbeid med aktsomhetsvurderinger. Det vil blant annet si å ha strategier og planer for hvordan virksomheten identifiserer og håndterer virksomhetens negative påvirkning/skade på mennesker, samfunn og miljø, også gjennom forretningsforbindelser og i leverandørkjeden. Gjennom å håndtere dette på en god måte bidrar virksomheten til oppnåelse av bærekraftsmålene. Tydelig forventning fra toppledelsen, samt tydelig plassering av ansvar for implementering av de ulike delene av aktsomhetsvurderinger er viktig. Alle involverte må vite hva de skal gjøre. Arbeid med bærekraft bør være en integrert del forretningsdriften. Åpenhet om forpliktelser virksomheten har til seg selv, utfordringer og hvordan dette håndteres, er vesentlig.

## 1.A Policy for egen virksomhet

### 1.A.1 Hva sier bedriften offentlig om sine forpliktelser til å respektere mennesker, samfunn og miljø?

The company's policy for sustainability and ethical trade is posted on our website / web shop [www.barnashus.no/csr](http://www.barnashus.no/csr). In addition to this, our environmental goals are published out together with our Miljø Fyrtårn certification. Our overall HSE goals are also posted on the same page. We will also disseminate these goals and policies to our customers in customer letters.

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### 1.A.2 Hvordan er policy for egen virksomhet blitt utviklet og forankret?

The company's policy has been developed over time through our internal control system for HSE, environmental certification and work with ethical trade especially on privat label production of goods in Asia. The document is anchored by the CEO and the company's board of directors. CoC has been translated into Chinese due to some limited English knowledge of workers at Chinese factories - this is made available to everyone. Most of our own goods production takes place in China.

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## 1.B Organisering og internkommunikasjon

### 1.B.1 Hvordan er arbeidet med bærekraftig forretningspraksis organisert i bedriften, og hvorfor?

The CEO is responsible for sustainable business practices in BH Nordic AS and Barnas Hus Norge AS.

This is because the companies have a small organization and that sustainable business practices are a natural part of our operations.

HR is responsible for HSE and the Miljø Fyrtårn certification, while it is the individual managers of all the stores, the central warehouse and the central office, that carry out both HSE and environmental work in practice.

Finance is responsible for purchasing supplies, while Sales and Concept Manager are responsible for purchasing store fixtures and equipment.

The management of the department of children equipment and textiles is responsible for purchasing goods for shops sale and especially Reflex, which is our own brand of clothing. Here we use Sulu as a sourcing partner.

Reporting lines in the work are shown in the organizational chart.

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### 1.B.2 Hvordan blir ansatte gjort klar over at virksomheten skal være bærekraftig, og betydningen det har for de ansattes stilling og arbeidsoppgaver?

All employees in key positions outlined in the organizational chart have been involved in the process both in terms of HSE, Miljø Fyrtårn certification and ethical trade which together become our sustainable business practice. These people know through their positions what responsibilities and duties they have in these areas.

Key people in this context are: CEO, HR Manager, CFO, Marketing Director, Sales and Concept Manager, Category Heads, Store Heads and Operating Manager Barnas Hus AB.

Other employees are informed and involved in the work through environmental certification and information about the products in the Reflex range. AMU is also informed about the work.

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### 1.B.3 Hvordan sikres det at relevante ansatte har tilstrekkelig kompetanse til å gjennomføre arbeidet med aktsomhetsvurderinger?

Through many years of experience with our sourcing partner Sulu AS, we have accumulated a high level of expertise in two areas in particular that are significant and important in connection with the production of clothing, especially in China; chemical use and regulations, organic production and organic substances as well as animal welfare.

In addition, they have accumulated a high level of expertise in working environment challenges in China in particular. Employees in Sulu keep themselves up-to-date in these areas on an ongoing basis. They have visited the factories several times a year for a number of years.

The same is true for our employees at Barnens Hus AB, which we use to source other import goods (equipment) from 2020.

BH Nordic's own employees in the category lack broad expertise in the same areas. These will increase their competence through 2020 by participating in courses and seminars organized by Ethical Trade and by transferring competence from Sulu when visiting China together.

## 1.C. Planer og ressurser

### 1.C.1 Hvordan er virksomhetens forpliktelser om å respektere mennesker, samfunn og miljø forankret i virksomhetens strategier og handlingsplaner?

These are anchored through our sustainability and ethical trade policy, HSE action plan and environmental goals.

These areas are set out in priority tasks for each areas and totally for the company and for each individual manager responsible.

In our strategy, "responsible" is embodied as one of our values described in the Preface. In addition, as one of our customer promises, we are committed to responsible and sustainable trade. We do this through our work with suppliers in Asia, through our HSE work and our environmental certification. All of these areas are prioritized through clear organization and prioritized tasks

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### 1.C.2 Hvordan følges virksomhetens strategier og planer for å være ansvarlig og bærekraftig opp i ledelse og styret?

Through annual reviews by the Board of Directors regarding our policies in this area and prioritized tasks. In addition, priority assignments for each key employee are followed up quarterly by the CEO.

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## 1.D Partnerskap og samarbeid med forretningsforbindelser, spesielt leverandører

### 1.D.1 Hvordan tydeliggjør virksomheten viktigheten av ansvarlighet og bærekraft i møte med forretningspartnere, spesielt i leverandørkjeden?

On behalf of BHN, Sulu communicate directly with all suppliers of Reflex. All suppliers are expected to make systematic and targeted efforts in order to comply with BHN`s Code of Conduct (CoC). Various elements and parts of CoC are discussed frequently with our suppliers during meetings, negotiations and during daily work and communication. As part of implementing our values in supply chain, we also expect our first-tier suppliers to communicate and share our CoC to any sub-suppliers related to our products.

Updated chemical regulations which applies to textile industry, are sent all suppliers minimum 2times/year. Revised regulations and/or limit values are discussed during meetings and continuous dialogue. Furthermore, Sulu support each supplier with customized instructions and chemical guidance with relevance for their production. Collecting environmental certificates, and checking validity and updates, is done continuously.

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## 1.E Erfaringer og endringer

### 1.E.1 Hvilke erfaringer har virksomheten gjort seg om arbeidet med bærekraft i rapporteringsåret, og hva har endret seg som et resultat av dette?

During 2019, we have increased focus and adjusted targets for 3 areas connected to sustainability; Reduce plastic in packing, improve sanitary conditions at factories and increased our suppliers' attention for recycled and sustainable fabrics.

For plastic reduction in packing department, suppliers have contributed with their knowledge and suggestions how to both reduce consumption and maintain packing quality.

Discussions of improved sanitary conditions have been followed up. One supplier invested in new bathrooms for workers, other suppliers have implemented washing routines with higher standard and frequency.

We have over the last years discussed sustainable fabrics with suppliers, and frequently requested them to source. This has increased suppliers' mentality and focus for our brand, and they are more aware of our sustainable focal point.



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Fastsette fokus for rapporten

## Kartlegging av virksomhetens påvirkning på mennesker, samfunn og miljø

Kartlegging handler om å identifisere virksomhetens risiko for, og faktiske negative påvirkning eller skade på mennesker, samfunn og miljø, inkludert i leverandørkjeden og gjennom forretningsforbindelser. Det handler om å først danne seg et overordnet risikobilde, for så å prioritere mest vesentlige risikoområder for grundigere kartlegging og håndtering av funn. Hvordan virksomheten er involvert i eventuell negativ påvirkning på mennesker, samfunn og miljø, er sentralt for å avgjøre riktig respons og tiltak. Involvering av interessenter, spesielt påvirkede parter, er sentralt i kartleggingsarbeidet, så vel som i tiltak for å håndtere utfordringene på en god måte.

## Kartlegging og prioritering

### PRIORITERT NEGATIV PÅVIRKNING/SKADE FOR MENNESKER, SAMFUNN OG MILJØ

Å prioritere en eller flere risikoområder på bakgrunn av alvorlighetsgrad, betyr ikke at noen risiko er viktigere enn andre, eller at virksomheter ikke gjør noen med annen risiko, men at det som har størst negativ påvirkning prioriteres først. Kartlegging og prioritering er en kontinuerlig prosess.

#### 2.A.1 List opp virksomhetens prioritert risiko for negativ påvirkning/ skade for mennesker, samfunn og miljø.

Prioritert negativ påvirkning / skade	Relatert tema	Geografi
Corruption	Korrupsjon	Kina India Sør-Korea Sri Lanka
Child Labour	Tvangsarbeid Barnarbeid Brutal behandling	Kina India
Discrimination	Diskriminering Brutal behandling Marginaliserte befolkningsgrupper	Kina India Sør-Korea Sri Lanka
Environment	Miljø Dyrevelferd Energi Avfall Vann Materialbruk	Kina India Sør-Korea Sri Lanka
Labour Conditions	Tvangsarbeid Fagorganisering og kollektive forhandlinger Brutal behandling Helse, miljø og sikkerhet Lønn Arbeidstid Regulære ansettelses	Kina India Sør-Korea Sri Lanka
Chemical Use	Helse, miljø og sikkerhet Miljø Utslipp Avfall Materialbruk	Kina India Sør-Korea Sri Lanka

Above table shows our priority focus areas, with regards to our risk assessment, to monitor and improve. We



have corruption as one of our main focuses, as we believe corruption is the major obstacle for improvement on other areas. We acknowledge that this issue will be particularly challenging to solve but consider this to have top priority in order to approach improved socially responsible business.

Other priority areas are divided in 2 main segments: Labour/Labour conditions & Environment/Sustainability Sources

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## BEGRUNNELSE FOR HVORFOR DISSE UTFORDRINGENE ER PRIORITERT SOM MEST VESENTLIGE FOR MENNESKER, SAMFUNN OG MILJØ

### **2.A.2 Gi ytterligere informasjon utfordringene vist i tabellen ovenfor hvis relevant.**

Our risk assessments are determined based on 3 points of view:

1. Our frequent visit to manufacturers, review of internal reports and communication/discussion with supplier
2. Study and follow-up of suppliers' certificates & audits made by third parties
3. Available information and reports from non-profit organizations (NPOs), non-governmental organizations (NGOs), labour unions, official indexes, statistics, and official regulations and guidelines from authorities.

BHN seldom bring in new manufacturers to their supply chain. We always seek to form long term relationships with suppliers and business partners who share our values and focus on promoting decent working conditions and environmental practices in the supply chain. Through long term relations, and limited number of suppliers, we have achieved acceptable overview in 1st tier. We have during recent years started mapping and visiting of sub-suppliers to gain increased control of our entire supply chain. This is a significant and on-going project.

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## ANNEN NEGATIV PÅVIRKNING/SKADE

### 2.A.3 Beskriv annen negativ påvirkning/skade for mennesker, samfunn og miljø som ble identifisert i kartleggingen i egen virksomhet, leverandørkjeden eller hos forretningsforbindelser i rapporteringsåret og hvordan disse er håndtert.

Challenges due to different cultures and perspectives:

With some suppliers we experience a lack of understanding of the importance and value of a well-functional worker representation working with management (reference ILO 135). Challenges are among others based on different working culture, both between our western society and management, but also between workers and management. It is important we use our western prerequisite in sensible ways during dialogue and demands.

Transparency:

One of our suppliers is less willing to provide full transparency regarding their sub-suppliers connected with our production, despite transparency is expected to ensure compliance to our code of conduct. This supplier explains their view is based on competition concerns and to protect business. Furthermore, they explain our “western” requirements for documentation in supply chain are too demanding, takes too much time, and efficiency is not acceptable which in end increase costs.

Fire Security:

We have previously experienced that some suppliers have had a good internal training for fire security and training of staff. Photos and documentation of this has been shared with other suppliers during 2019 in order to achieve a better standard where this is necessary. We expect reports from training and documentation of this during 2020 after CNY.

Sanitary conditions:

In general, sanitary conditions have varying standards at our manufacturers compared with what we are used to in Norway. In particular, toilets for factory workers may be very simple, unhygienic and lack basic needs and have major shortcomings. We have during 2019 emphasized to our suppliers the importance of establishing routines for frequent cleaning, general improvements and repair damages at factories. We have focused on female workers` conditions particularly, but not exclusively. This point is not among main risk areas, but we strongly believe that improvements on this area will have good effect for workers well-being, the general standard of factory, hygiene and infection/bacteria/virus control.

Overtime:

Experience from most factories show that too much overtime work occurs during peak seasons. Factory management explain overtime with dynamic fluctuations regarding need of workers, and that a certain amount of overtime will always be needed during main peak. To employ many enough workers to avoid overtime will have too heavy costs and may lead to financial loss and bankruptcy.

All reports and audits show workers do receive correct overtime payment, and many workers see this added payment as an advantage. Our policy, which does not allow un-authorized subcontracting may increase need of overtime as well. We do though believe that the potential risks related to UAS are bigger. Several years ago, we introduced early order placements, minimum 6 months prior to shipments, and have received very positive feedback from our suppliers for the many advantages this brings on.

A woman in a blue lab coat and cap is shown in profile, looking down at a piece of equipment in a laboratory setting. Other people in similar attire are visible in the background, working at their stations. The lighting is bright and clinical.

### 3

#### Håndtering av prioritert påvirkning

## Stanse, forebygge eller redusere negativ påvirkning

Stanse, forebygge eller redusere handler om å håndtere funn fra kartleggingen på en god måte. Virksomhetens mest vesentlige negative påvirkning på mennesker, samfunn og miljø prioriteres først. Dette betyr ikke at annen risiko er mindre viktig eller at det ikke håndteres. Hvordan virksomheten er involvert, er sentralt for å treffe riktige tiltak. Faktisk negativ påvirkning/skade som virksomheten forårsaker eller bidrar til må stanses, forebygges og reduseres. Virksomheter som er direkte forbundet med negativ påvirkning må bruke sin innflytelse til å få forretningsforbindelser (f.eks. leverandører) til å stanse, forebygge og redusere dette. Dette innebærer å utvikle og iverksettes planer og rutiner for å håndtere risiko, og kan kreve endringer i egne policyer og styringssystemer. Virksomheters vellykkede håndtering av negativ påvirkning på mennesker, samfunn og miljø er et avgjørende bidrag til FNs bærekraftsmål.

## 3.A Stanse, forebygge eller redusere

### 3.A.1 Legg til mål, status på fremdrift, og beskriv tiltak dere har iverksatt for å håndtere virksomhetens prioriterte negative påvirkning/skade på mennesker, samfunn og miljø

<p><b>Prioritert negativ påvirkning/skade</b></p>	<p>Corruption</p>
<p><b>Overordnet mål :</b></p>	<p>No corruption in our supply chain, and transparent and sustainable business.</p>
<p><b>Status :</b></p>	<p>The countries in which we have production, score poorly when it comes to transparency, and we acknowledge that the risk of corruption is high. Corruption in our supply chain is not tolerated at any level and this is clearly stated in our CoC. Small and Medium-sized Enterprises (SMEs) typically lack resources to implement effective anti-corruption measures and conduct their business in compliance with international standards and the applicable legal rules. Growing challenges for SMEs may be lack of transparency as well. Corruption comes in different forms; Bribing official services (e.g. police, fire inspectors etc) to perform or certify services, determine sub-suppliers in our chain by favouring friends or relatives, bribing auditing branches or certification bodies to achieve improved results and/or certifications etc.</p>
<p><b>Mål i rapporteringsåret :</b></p>	<p>During conversations and meetings with people from other cultures, we are introduced to their norms. In business meeting with our suppliers, we try to build an understanding of our view upon corruption and all negative impacts corruption have on the society. Listening to our suppliers' points of views is necessary as well. We build trust and relations and have achieved mutual respect over the years working closely together. By making direct business as far as possible, meeting our manufacturers sub-suppliers and discussing our values, we hope and believe that this will make an impact and stay as an example that business may grow strong without corruption. Continue to contribute and develop a culture of integrity among our suppliers to avoid corruption in all forms. Doing business with integrity is right way to build long term relation. Reducing corruption is at the heart of the SDGs.</p>

Utforte tiltak og begrunnelse :

Raising awareness in our supply chain.

Encouraging transparency.

Monitoring which sub-suppliers are used and include these companies in our mapping.

<b>Prioritert negativ påvirkning/skade</b>	Child Labour
<b>Overordnet mål :</b>	No occurrence of child labour in in our supply chain.
<b>Status :</b>	<p>According to international reports, the risk of Child labour is high in India, moderate to high in China.</p> <p>As far as we have possibility to control, child labour is non-existent in our supply chain in China. This includes all manufacturers, authorized sub-contractors, suppliers and sub-suppliers. Our information is based on factory visits, studies of audit reports and certificates made by 3rd party companies.</p> <p>Our supply chain mapping for India show that there is no child labour in our supply chain. We do though recognize that overview here is far more difficult and complex due to limited opportunity to monitor operations. Furthermore, we know that cotton production in India is challenging in regards to risk assessment.</p> <p>For both Sri Lanka and South Korea, risk of child labour is low. However, we acknowledge the importance to emphasize our zero tolerance on this point to all of our suppliers.</p>
<b>Mål i rapporteringsåret :</b>	Work to collect trustable data that support our hypothesis that child labour does not occur in our supply chain through 3rd party audits

**Utforte tiltak og begrunnelse :**

All our cotton in India is GOTS certified. Social criteria for GOTS certification minimize risk of child labour, but India is a market to monitor closely in order to comply to our standards.

<b>Prioritert negativ påvirkning/skade</b>	Discrimination
<b>Overordnet mål :</b>	Universal Human Rights that are stated in ILO 100, 101 and UN's CEDAW (convention on the elimination of discrimination against women) must be complied by all of our suppliers.
<b>Status :</b>	: As clearly stated in our CoC we have a zero-tolerance policy on discrimination. No worker should be discriminated based on their ethnic background, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. According to our findings from our supply chain mapping there is no occurrence of discrimination in our supply chain. Furthermore, these findings are supported by third-party audits of our factories.
<b>Mål i rapporteringsåret :</b>	Continue collecting trustable data that support our previous findings that there is no occurrence of discrimination in our supply chain.

**Utforte tiltak og begrunnelse :**

International public reports show that the risk of discrimination is medium to high in our production countries. Some sorts of discrimination may also be challenging to detect as it may occur in various and obscure forms. Thus, we believe this issue needs to be addressed and emphasized to our business partners to make sure that we have a common understanding of fair treatment.

<b>Prioritert negativ påvirkning/skade</b>	Environment
<b>Overordnet mål :</b>	We work to integrate sustainability in our entire product development process. This applies all parts from idea/design, during material sourcing and production, to final goods are delivered to our shops.
<b>Status :</b>	We have increased our focus on sustainability in our production and product development. We will continue to improve as our goals are developing while demands in general are also constantly increasing.
<b>Mål i rapporteringsåret :</b>	Work to reduce the amount of microplastic generated from our products. Increase the number of products that are Oeko-tex certified. Increase the number of products that are based on organic fibres. Increase the number of products that are based on natural fibres, particularly focusing on wool. Increase the use of recycled fibres.

**Utforte tiltak og begrunnelse :**

We continuously update instructions and product specifications according to regulations and legislation for use of chemicals.

**Recycled materials**

We have replaced polyester microfleece with use of recycled microfleece from PET bottles. Also, we are actively seeking further developments with selected suppliers.

**Natural materials**

We have had increased focus on wool as preferred material. Wool is among the most sustainable textile fibres as it has longer lifetime and more self-cleaning attributes than other alternatives. We prioritize compositions with 100% wool as much as possible. Wool is easier to recycle than textile blends with for example polyester. Garments with 50-100% wool represents more than 50% of our total production measured in sold units/pieces.

**Chemicals**

We follow up and keep all our suppliers updated regarding chemical use relevant for their products. All suppliers in our supply chain receive updated chemical guide 2 times per year with complimentary explanation for chemicals with restrictions, why these are harmful and which alternative chemicals that can be used.

**Environmental certificates**

Oeko-tex 100 class I and II: We prioritize Oeko-tex certified suppliers in first and second tier.

**GOTS/OCS:**

We prioritize organically certified cotton.



#### Audits

We collect, investigate and follow up updated third-party audits (BSCI) with our suppliers. Insufficient and unsatisfying points are discussed with suppliers to be able to achieve improvements. In general, we encourage our suppliers to reach for certifications as SEDEX/SA8000 etc to gain better internal management systems and control.

#### Plastic

We have reduced our plastic consumption with 20% from 2018 to 2019 by changing packing instructions for suppliers. The reduction of plastic will also enhance suppliers' packing departments, unpacking goods in shops and reduce waste in general.

#### Animal welfare

It is important to us at BHN that all animals are respectfully treated. Thus, our CoC manifest our point of view regarding use of animal fibres.

All wool purchased from our suppliers is certified mulesing free by third-party audits. Requirements of mulesing free wool is also clearly stated in our CoC.

We do not use any kind of real fur. As the fur industry is linked to cruel and unethical treatment of animals, abstaining from fur is an important statement in our animal welfare policy. Furthermore, fur is not necessary to stay warm.

All down and feathers used for Reflex-production is certified with RDS (Responsible Down Standard) which ensures that the animals have been treated humanely. All down and feathers in our production come from birds that have been raised for food. Down from animals that are plucked alive is not tolerated.

#### Purchasing process

Orders for our production are placed at least 6 months, sometimes 8 months before shipment. This gives suppliers more time for proper planning, sourcing and purchase of materials, testing and follow-up of materials and reduced need of overtime work related to our orders. Furthermore, we strive to be as flexible as possible if suppliers request to adjust shipment dates.

#### Logistics

All bulk deliveries for Reflex are transported by sea. Deliveries by air have not been used for bulk deliveries during 5 recent years.

<b>Prioritert negativ påvirkning/skade</b>	Labour Conditions
<b>Overordnet mål :</b>	Improve labour conditions, ensure safe working environments, rights and decent wages.
<b>Status :</b>	Our main focus is labour conditions in China. Freedom of associations , general working conditions and decent living wages are among biggest concerns. We are already under way with supply chain mapping and have detected some insufficiencies at certain suppliers.
<b>Mål i rapporteringsåret :</b>	We have implemented measures for improvements and have proceeded with further mapping.

**Utforte tiltak og begrunnelse :**

We have collected, investigated and given feedbacks on BSCI reports. In particular, we have focused on hygienic and sanitary conditions.

<b>Prioritert negativ påvirkning/skade</b>	Chemical Use
<b>Overordnet mål :</b>	No occurrence of forbidden chemicals, and occurrence of chemicals with restrictions must be within current and updated limit values.
<b>Status :</b>	All suppliers have been given instructions for chemical use customized for their production.
<b>Mål i rapporteringsåret :</b>	Updated chemical restrictions in accordance with updated international legislation and recommendations from RISE.

**Utforte tiltak og begrunnelse :**

Updated chemical guidance has been sent out to all suppliers during February and October 2019. Random samples and tests have been made on selected materials at nominated suppliers.

## ANDRE TILTAK FOR Å HÅNDTERE NEGATIV PÅVIRKNING/SKADE:

Beskriv virksomhetens gjennomgripende tiltak for å stanse, forebygge eller redusere negativ påvirkning/ skade på mennesker, samfunn og miljø i leverandørkjeden

### 3.B.1 Reduksjon av miljø- og klimafotavtrykk

All bulk deliveries for Reflex are transported by sea. Deliveries by air have not been used for bulk deliveries during 5 recent years.

We have increased the number of products made of recycled materials in our production.

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### 3.B.2 Tilpassing av egen innkjøpspraksis (sourcing)

We are currently evaluating possibilities of moving parts of our production to Europe to make our supply chain shorter. This could make it easier to implement sustainable practices but could also have some disadvantages. This will be further examined and evaluated.

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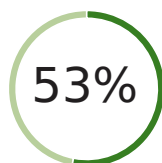
### 3.B.3 Valg av produkter og sertifiseringer

Oekotex, GOTS, OCS, RDS.

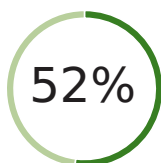
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## Indikator

### Percentage items certified with OEKOTEX 100



2019



2018

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### Percentage down garments with RDS certified down



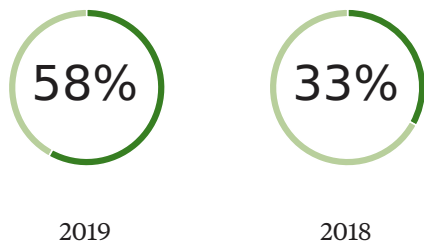
2019



2018

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## Garmentsmade with organic cotton



Percentage cotton garments with composition of minimum 50% cotton made by certified organic cotton.

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### 3.B.4 Støtte aktivt opp om fri fagorganisering og kollektive forhandlinger, eller der lovverket ikke tillater dette, støtte aktivt opp om andre former for demokratisk valgt arbeiderrepresentasjon

The legislation in China does not allow trade union organization that we are used to and there are no systems in the factories for workers representation as we have. During our factory visits, we address the theme of influencing healthy internal collaboration between management and workers. This is a delicate issue and we address the worker's case by controlling eg. sanitary conditions, break rooms, tariff wages, etc. So no trade union organization as we know it in Norway.

Nevertheless, several factories have a "working representation" with the management, as well as negotiating rights for wages.

These points are covered by the BSCI audit (or equivalent) used by several factories. All score well / acceptable on points that deal with this.

As we write in the report, this is a work we continue to focus on, but various cultural / historical / traditional differences play a role and show that there is some way to go.

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### 3.B.5 Bidrag til utvikling, kompetanseheving og opplæring av leverandører og arbeidere i leverandørkjeden

We are currently evaluating possible cooperation with Quizrr for capacity building locally and directly for our suppliers.

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### 3.B.6 Andre planer og utførte tiltak for å håndtere negativ påvirkning/skade

Further measures and plans are not prioritized



## 4

# Overvåking av gjennomføring og resultater

Overvåking av gjennomføring og resultater handler om hvorvidt virksomheten gjør gode aktsomhetsvurderinger. Er kartlegging og prioritering av mest negativ påvirkning gjort på en faglig god og troverdig måte, og som reflekterer de faktiske forholdene? Virker tiltakene for å stanse, forebygge og redusere virksomhetens negative påvirkning/ skade etter hensikten? Er skade gjenopprettet der det er relevant? Dette kan gjelde tiltak virksomheten gjør selv og som utføres av eller i samarbeid med andre. Virksomhetene må ha rutiner og systemer for å overvåke gjennomføringen og resultatene for å kunne vurdere disse. Erfaringene virksomheten gjør seg med arbeidet med aktsomhetsvurderinger, brukes for å forbedre prosesser og resultater i fremtiden.

## 4.A. Overvåke og evaluere

### **4.A.1 Beskriv hvem som har ansvar for å overvåke effekten av tiltak iverksatt for å håndtere virksomhetens vesentlige negative konsekvenser for mennesker, samfunn og miljø, og hvordan overvåkingen gjennomføres i praksis**

During the recent years we have worked to integrate sustainability and responsible business practice to our overall work and business development, in all steps of our production. This means that from idea and design to final goods, we aim to make decisions which is based on findings and experiences from our risk assessment. Responsibility must be integrated in daily work for all our employees. For the coming year one of our concrete goals is to develop our action plan with details and budgets for further developments and improvements

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### **4.A.2 Beskriv hvordan dere sannsynliggjør at virksomhetens og forretningsforbindelsers (f.eks. leverandørers) tiltak for å identifisere, forebygge og redusere negativ påvirkning faktisk fungerer.**

One of many advantages with prioritizing long-term business relations is the possibility to track improvements and developments within important focus areas. Despite challenges related to different cultural viewpoints and standards we have experienced improvements on several areas.

Focus on environment and sustainability in our industry in general, and in our company specifically, is constantly increasing. Our experience is that our suppliers and business partners have shown increased awareness as well.

Most of our suppliers have increased understanding related to our demand regarding openness and transparency. Only one of our suppliers is less willing to provide full transparency regarding sub-suppliers despite our requirements. However, we think that our continuous emphasizing of is important to make a positive impact in our business. When discussing these issues with other



## 5

# Kommunikasjon av hvordan negativ påvirkning/skade er håndtert

Forutsetningen for god ekstern kommunikasjon om arbeidet knyttet til virksomhetens aktsomhetsvurderinger for bærekraftig forretningspraksis er at den bygger på konkrete aktiviteter og resultater. Det vil si ekstern kommunikasjon av policyer og retningslinjer, prosesser og aktiviteter knyttet til å identifisere og håndtere bedriftens faktiske og potensielle negativ påvirkning på mennesker, samfunn og miljø, inkludert funn og effekt og resultater av tiltakene/aktivitetene.



## 5.A. Kommunisere eksternt

### 5.A.1 Beskriv hvordan virksomheten kommuniserer med berørte interessenter om håndteringen av negativ påvirkning/skade

We communicate with the factory management and the employees if possible directly in these areas. Knowing, any serious incidents in relation to, for example, environmental emissions, we will request the factory owner and report this to local authorities.

In audit reports, we will address nonconformities with factory management and request that they publish the report to their employees.

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### 5.A.2 Beskriv hvordan virksomheten kommuniserer offentlig rundt eget arbeid med kartlegging og håndtering av negativ påvirkning/skade

We communicate our sustainability work through our website [www.barnashus.no/csr](http://www.barnashus.no/csr) - in addition to the fact that this report is public. A link to the final report will also be posted on our csr pages



## 6

### Gjenoppretting der dette er påkrevd

Når en virksomhet har identifisert at den har forårsaket, eller bidratt til skade, på mennesker eller samfunn, håndteres den skaden gjennom å sørge for gjenoppretting, eller samarbeide om gjenoppretting. Gjenoppretting kan innebære økonomisk erstatning eller kompensasjon, en offentlig beklagelse, eller at en skade på annet vis rettes opp. Det handler også om å sørge for tilgang til klageordninger for arbeidere og/eller lokalsamfunn slik at de kan få sin sak hørt og håndtert.



## 6.A Gjenoppretting

### 6.A.1 Beskriv virksomhetens policy for gjenoppretting ved negative konsekvenser for mennesker, samfunn og miljø

This is described in our sustainability policy posted on our website [www.barnashus.no/csr](http://www.barnashus.no/csr)

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### 6.A.2 Hva gjør virksomheten for å sørge for, eller bidra til, gjenoppretting for arbeidere og/eller lokalsamfunn i leverandørkjeden som er skadelidende som følge av virksomhetens aktiviteter og beslutninger. Beskriv eventuelle tilfeller av gjenoppretting i rapporteringsperioden.

No cases of recovery in 2019

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## 6.B Sikre tilgang til klagemekanismer

### 6.B.1 Hva gjør virksomheten for å sikre at arbeidere og lokalsamfunn i leverandørkjeden har tilgang til effektive klagemekanismer

In 2020, we will look at the possibility of, in collaboration with the factories we uses, introducing a reporting system that entails obligations that non-conformity with health, environment and safety are reported to us by describing events / non-conformities in the production of our products. Measures and deadlines for new implementation must also be reported.

This could form the basis for an overview of the challenges and need for any recovery that we can discuss with the factory owners.

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