



Aktsomhetsvurderinger for bærekraftig  
forretningspraksis

# Redegjørelse rapporteringsåret 2022

for Barnas Hus Norge AS - BH Nordic AS

*Etisk handel Norge har vurdert at rapporten til Barnas Hus Norge AS - BH Nordic AS oppfyller våre krav til basisnivå. Les mer om basisnivå [her](#).*





## FNs BÆREKRAFTSMÅL



## Til lesere av rapporten

Næringslivet og offentlig sektor har stor påvirkning på mennesker, samfunn, miljø og dyr og kan både bidra positivt til utvikling, men også medvirke negativt og forårsake skade. Virksomheter har derfor en nøkkelrolle i å oppnå FNs bærekraftsmål.

Denne rapporten kan brukes som redegjørelse etter åpenhetsloven, men rapporten favner bredere med klima og miljø, sirkulærøkonomi og antikorrupsjon. Våre medlemmer er forpliktet til å jobbe med aktsomhetsvurderinger og årlig rapportere på arbeidet. Medlemmer på basisnivå oppfyller også åpenhetslovens aktsomhetsvurderingsplikt, og delvis informasjonsplikten.

OECDs begrep ansvarlig næringsliv er det vi i Etisk handel Norge kaller for bærekraftig forretningspraksis. Det er den systematiske innsatsen virksomheter gjør for å kartlegge, forebygge, begrense og gjøre rede for hvordan de håndterer risiko for negativ påvirkning, samt rette opp skade for mennesker, samfunn og miljø – såkalte aktsomhetsvurderinger (due diligence). Alle virksomheter, uavhengig av størrelse, er av norske myndigheter forventet å gjøre aktsomhetsvurderinger og etterleve FNs veiledende prinsipper for næringsliv og menneskerettigheter (UNGP) og OECDs retningslinjer for flernasjonale selskaper. Dette gjelder både næringsliv, offentlig sektor og organisasjoner.

Etisk handel Norges prinsipper for bærekraftig forretningspraksis (vår code of conduct) dekker områdene anstendig arbeid, menneskerettigheter, miljø/klima, antikorrupsjon og dyrevelferd. Rapporten viser åpenhet om hvordan virksomheten arbeider med aktsomhetsvurderinger i tråd med UNGP og OECDs retningslinjer. Alle medlemsrapportene gjøres offentlig tilgjengelig på Etisk handel Norges hjemmesider.

**Heidi Furustøl**

Daglig leder

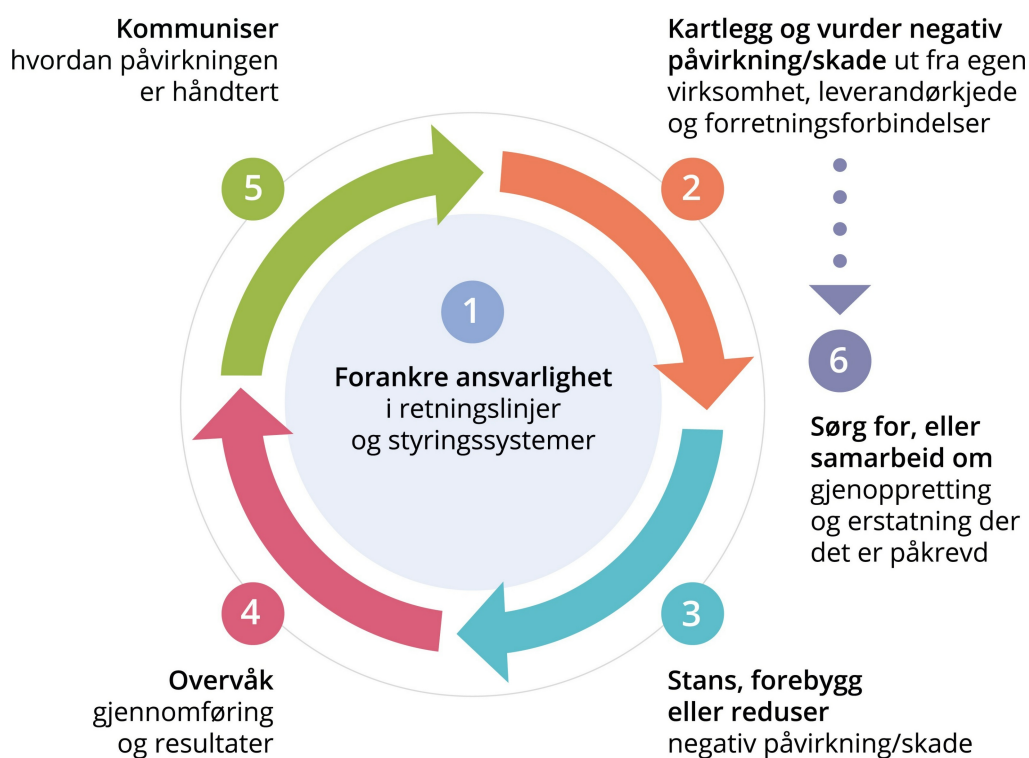
Etisk handel Norge



# 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.



# 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 27 stores across the country and an online webstore: [www.barnashus.no](http://www.barnashus.no).

Our vision is "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 work 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 work 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 Ethical Trade Norway in 2013.

We sell clothing and equipment from leading brands but are also a proud manufacturer of "Reflex" clothing and "Yngri" equipment. Through Reflex we focus on "children's working clothes" - reasonable clothing that keep children dry and warm in kindergarten, on outdoor trips and in daily play. Yngri is good quality equipment and accessories at a reasonable price.

The clothes from Reflex are designed in Norway through a collaboration with the company Blåbær Production AS which contribute to this report.

We are very pleased with this collaboration, and we find that Blåbær Production AS makes a good contribution to quality assuring our textile production in line with our codes of conduct and agreements with each manufacturer with whom we trade. Regarding Yngri, the development takes place in Sweden in our company "Barnens Hus AB".

We are confident that Blåbær Production AS and Barnens Hus AB 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 2019 and 2020, we made factory visits to our largest suppliers in China, where Blåbær Production and Barnens Hus AB Barnas Hus made visits. 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. Due to the Covid-19 we had only 3 visits to China and one visit to India in 2020. Covid-19 have slowed down our plan visiting physically our factories in Asia. We have weekly meetings with our factories on Teams since March 2020 and hope we will have the chance to make visits in autumn 2023.

**" Reflex - children's working clothes - with safety and sustainability in focus.  
Yngri - everyday products for young explorers designed by Scandinavians "**

Lasse Erik Moen  
*CEO*

# Styrets signatur



## Barnas Hus Norge AS – BH Nordic AS

Styret i Barnas Hus Norge AS og BH Nordic AS bekrefter med dette å ha mottatt og lest rapport utarbeidet for Etsk handel Norge som også danner grunnlaget for vår redegjørelse:

*Aktsomhetsvurderinger for bærekraftig forretningspraksis*

Redegjørelse rapporteringsåret 2022



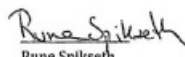
Bjørn Hartz  
Styreformann



Hans Kristian Torgersen  
Styremedlem



Kristian Torgersen  
Styremedlem



Rune Spliseth  
Styremedlem



Lasse Erik Moen  
Daglig leder

Oslo 30.mai 2023

Oslo  
02.06.2023

# Nøkkelinformasjon om bedriften og leverandørkjeden

## Nøkkelinformasjon om bedriften

### Navn på bedriften

Barnas Hus Norge AS - BH Nordic AS

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### Adresse hovedkontor

Innspurten 15, 0663 Oslo

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### Viktigste merker, produkter og tjenester

Reflex, kids and babies garments 0-14y - Yngri, accessories and hardware products

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### Beskrivelse av bedriftens struktur

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

The category Department also decide the assortment in the stores from other externally providers of products.

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### Omsetning i rapporteringsåret (NOK)

720 000 000

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### Antall ansatte

330

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### Er virksomheten omfattet av åpenhetsloven?

Ja

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### Vesentlige organisatoriske endringer siden forrige rapportering

We have opened one more store in greater Oslo area – Slependen Senter and have closed two stores – Sandvika Storsenter and Holmen.

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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 leverandørkjede

We currently purchase most of our products from 42 external distributors and manufacturers, both textile goods and equipment for babies and children. Most of these players are headquartered in the Nordic region. The others have their offices in other European countries and Canada. These are countries with high standards when it comes to ethical trade. Both because of strict legislation in the regions and consumers that require that this is taken care of. Our experience is that these suppliers take this very seriously and that the main risk is among our partners located in Asia. As a consequence we spend most of our effort on following up these partners, that produce our private labels, Reflex and Yngri.

#### Reflex – private label

All design, development and sourcing made in Norway by Blåbær Production AS.

Even though we have a wide range of products, we maintain a limited number of suppliers. Approx 81% (purchase value) of business is direct with manufacturers/producers. Approx 19% is business through agents.

#### Yngri – private label

Design, development, and sourcing made in Sweden by Barnens Hus AB. The business is mostly handled directly with the manufacturers and through agents.

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

64

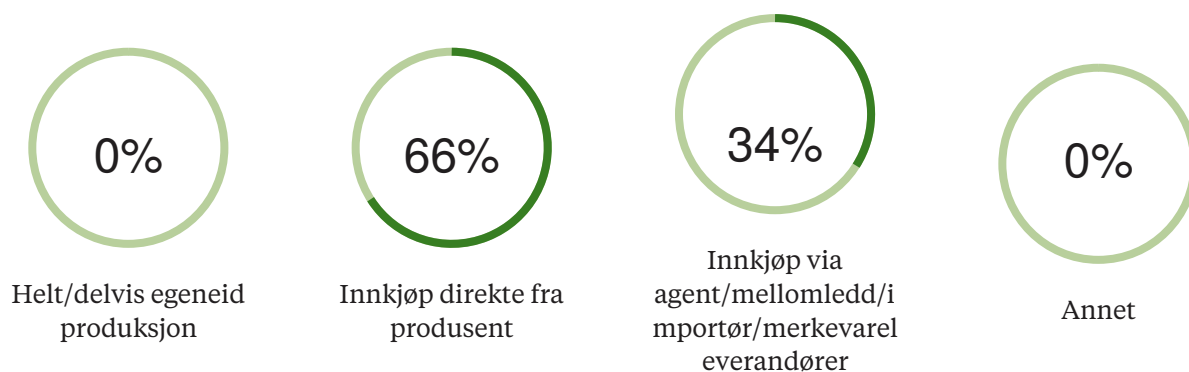
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### Kommentar til antall leverandører

Out of these 64 suppliers 42 was external suppliers and 22 was related to our private labels. Reflex/Blåbær Production as had totally 16 suppliers of whom we had commercial relations during 2022. These are mainly manufacturers from China. Reflex accounts for approximately 34% of total turnover in Barnas Hus. Yngri had 6 suppliers which we had commercial relationship during the year. Calsun (agent) handle commercial relationship with 30 manufacturers for Yngri brand. Yngri accounts for approximately 10% of total turnover in Barnas Hus - remaining sales are purchased from external brand suppliers



## Type innkjøp/ leverandørforhold



Above statistics applies Reflex and Yngri only.

### Reflex/Blåbær Production AS:

Percentage based on purchase value - Direct purchase 81%, Purchase through agent 19%. Percentage based on qty is almost same; 84% direct and 16% through agents.

### YNGRI:

Percentage based on purchase value - Direct purchase 23%, Purchase through agent 67%. Split in pcs is 40% direct purchase and 60% through agent on site – due to Covid pandemic and restrictions affected business in China we have moved some production to new manufacturers. Due the war and Russia's aggression against Ukraine we ended business relationship with one manufacturer in Russia.

Yngri brand is very broad and falls into several different categories within our business, the brand is growing within new categories each year and the products are for children (e.g strollers) or directly at children (e.g toys) - counting pcs will thus not be correct for the entire brand.

### Liste over førsteleddsprodusenter per land

Kina :	56
Sri Lanka :	2
India :	1
Sør-Korea :	3
Tyrkia :	3
Polen :	2

Above statistics applies for Reflex and Yngri's suppliers.

Reflex/Blåbær Production AS have totally 32 production units for all styles. E.g. our main supplier of outer wear uses 4 different production units.

Yngri have totally 35 production units for all products. 6 stroller/baby producers have their textile production in separate factories and also supply other raw materials such as metal and plastic from sub-contractors – total 6 sub-contractors.

During the year, we have tried to gather some of production in the same places. But we still have an increase compared to last year as we have expanded the range within certain categories.

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

#### Antall arbeidere

7 584

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#### Antall produsenter dette er basert på

56

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#### Antall arbeidere per produsent (kalkulert snitt)

136

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#### Kommentar til antall arbeidere

Reflex/Blåbær Production as: 3324 workers from total 32 production units in first tier and covers 100% of our total 16 commercial suppliers. Yngri: 4260 workers from 24 different manufacturers. These are manufacturers/producers in first tier in our supply chain. We do not have correct figures from 11 production units. Last year we had correct figures for 50% of our manufacturers in first tier. This year 70%.

## Viktigste innsatsfaktorer/råvarer for produkter eller tjenester og geografi

<b>Wool</b>	Australia Kina New Zealand Sør-Afrika
<b>Cotton</b>	India
<b>Wood</b>	Kina
<b>Aluminium</b>	Kina
<b>Steel</b>	Kina
<b>ABS Plastic</b>	Kina
<b>Polyester</b>	Kina
<b>Bamboo</b>	Kina
<b>Natural rubber</b>	Kina
<b>Polyethylene foam</b>	Kina Polen
<b>TPE Plastic</b>	Kina Tyskland

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Er virksomheten leverandør til offentlig sektor?

Nei

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## Mål og fremdrift

### Prosessmål og fremdrift i rapporteringsåret

1

Goals Reflex/Blåbær Production as 2022:

- Increased control of our supply chain including pension, insurance, grievance and worker representation status
- Address further some salient issues:
  - Rubber production in Vietnam
  - Cotton from China
  - Climate risks & environmental issues
  - Discrimination in India
  - Labour conditions in general

#### Mål:

- We will continue to engage stakeholders to approach our salient risks such as discrimination, environment, worker representation and general labour conditions. In addition to stakeholders that we have already involved, we will engage with organizations like Norwegian Uyghur Committee, Fair Rubber Association & Sustainable Natural Rubber Initiative to continue our on-going risk mapping.
- We will continue to increase the amount of recycled materials.
- Achieve complete overview of our second-tier supply chain.
- Improve traceability of raw materials and main components in our products.
- We will continue to investigate new salient risks as a result of COVID19. Examples are increased risk of corruption, child labour and the threat of workers' rights.

Status Reflex/Blåbær Production as 2022:

- During 2022 we have attended a wide range of webinars to strengthen our knowledge regarding potential risks in our supply chain and how to address them. Some examples of themes that have been addressed are living wage, corruption, climate accounting, the transparency act, chemical use in the textile industry and how to approach the cast system and discrimination in India. We have also joined a working group called CFRPP (Common Framework for Responsible Purchasing Practices)
- We have continued to collect information from suppliers regarding insurances and pensions, grievance mechanism and worker representation status. We have also attended courses and webinars in order to understand and analyze these data in best possible way.
  - o More than 85% of manufacturers have worker representatives elected by workers. Number confirmed by 3rd party.
  - o Approx 85% of manufacturers have established grievance mechanisms. However, 50% of these are neither fully integrated nor well-functioning. Follow-up here from our side will be important in next steps.
  - o All manufacturers offer insurance to workers/staff. However, we realize that not all workers are fully covered. Insurance for workers, especially in China, is a difficult topic. Based on our numbers approx. 80% of total workforce is insured. We do though admit there is uncertainty in these figures.
- We have joined AMFORI which has given us better tools to collect above mentioned information together with other important data from our supply chain.
- We have continued our dialogue with stakeholders that we have previously involved. In addition, we have engaged AMFORI and Amnesty International. We have also had meetings with the Norwegian Uyghur Committee to discuss discrimination in China.
- The amount of recycled materials has been more than doubled compared to previous reporting year.
- Even though we have achieved a better overview of our supply chain than last year, it is far more complex and challenging to reach a complete overview of our second-tier than we imagined. This work will however continue, and our goal is to continuously have a better overview and control.
- Our work to improve traceability of raw materials and main components is an ongoing project. Requesting transaction certificates and import documents as well as emphasizing our requirement of full transparency, is a part of our daily work towards suppliers.
- As majority of our suppliers are based in China, limitations, complications and consequences of COVID19 have still affected our work and collaboration with suppliers. Until January 2023 China has had restrictions for everyone entering the country. After 3 years of strict restrictions in China, the country's government has recently decided to reduce these.

**Status :**



#### Goals YNGRI 2022:

Internal commitment regarding sustainable business practice:

\* We will continue to engage our agent and stakeholders in order to solve common challenges. We are committed to interacting with all our stakeholders in an ethical and transparent manner – to approach silent risks such as discrimination, forced labour, child labour, environment and overall labour conditions.

\* Follow-up of the code of conduct and minimum criteria in supplier meetings

We will follow-up the minimum criteria sent out and signed to our suppliers during 2021 in order to check progress and discuss how to raise the level

Improve and develop sustainability practices:

\* Increase the proportion of recycled material on all packaging material, was a goal for us during 2021 and we have come a long way but there are still much we are working on to change. For all new orders arriving 2022 we have no paper manual in the boxes more, customers will be able to scan a QR code in order to access the manual. However we still have some plastic parts that we are working to replace during 2022.

\* Start a work of change to certified recycled material on stroller textiles by end of 2022 – this was paused during 2021

\* Encourage suppliers to apply OEKOTEX-certification, or source OEKOTEX certified materials.

We have started to apply this on new products however we have a work a head of us were we need to change OEKOTEX-certification on existing products.

\* Encourage suppliers to apply FSC-certification, or source FSC certified materials. The pandemic has had some consequences on raw materials – price increases and lack of raw materials made us postpone this project to 2022. But also delayed deliveries have done that our current stock levels have been high and there have been no need for new orders at this category.

\* Start the job of introducing a reporting system for deviations, with the help of a third-party inspection company and focus on the 5 largest suppliers – will be top priority during 2022. Due to strict policy from Chinese government regarding Covid-19 areas and cities have been closed long times during the year we have not managed to fulfil this goal.

\* Develop and educate the knowledge in Calsun team, which is on site, during the year we had recurrent online meetings were this topic was always on agenda.

#### Mål:

Risk mapping of supply chain:

\* Continue on-going risk mapping, continue on sub contractors level.

\* Investigate sub-contractors, find approved suppliers and document these, first priority will be textile. Through international initiatives coordinated by Ethical Trade Norway

Social compliance in supply chain:

\* Ensure number of suppliers who have undergone complete social audits is at a minimum of 70% by end Dec 2022 and 90% by end Dec 2023. Remaining 30% must be involved in audit process by at least have signed CoC and completed self-assessment report – Main focus the coming years.

\* Minimum 85% of all suppliers who have undergone social audit, must have been assessed with an "A", "B" or "C" in Amfori BSCI system or equivalent social audit.

Status YNGRI 2022:

Internal commitment regarding sustainable business practice:

\* We will continue to engage our agent and stakeholders in order to solve common challenges. We are committed to interacting with all our stakeholders in an ethical and transparent manner – to approach silent risks such as discrimination, forced labour, child labour, environment and overall labour conditions.

During the year we have attended different seminars and training courses regarding silent risks, due diligence in Chinese suppliers, human rights in China (via ETI Sweden and Raoul Wallenberg Institute) We have also collected and monitored information \* Follow-up of the code of conduct and minimum criteria in supplier meetings via CLB (China Labour Bulletin)

We will follow-up the minimum criteria sent out and signed to our suppliers during 2021 in order to check progress and discuss how to raise the level.

In the beginning of 2022, we sent out an updated CoC to all of our manufacturers and we have received all of them signed. All new manufacturers have signed CoC and minimum criteria sent out to them as well. CoC and BSCI audit reports have been on topic on all digital supplier meetings.

Improve and develop sustainability practices:

\* Increase the proportion of recycled material on all packaging material, was a goal for us during 2021 and we have come a long way but there are still much we are working on to change. For all new orders arriving 2022 we have no paper manual in the boxes more, customers will be able to scan a QR code in order to access the manual. However we still have some plastic parts that we are working to replace during 2022.

During the 2022 the work with no paper manual and replacing with QR code have continued on existing and new products. We also changed from white boxes with stickers to brown boxes on all strollers by the end of 2022.

\* Start a work of change to certified recycled material on stroller textiles by end of 2022 – this was paused during 2021

We are developing a new stroller model which will be launched after summer 2023.

\* Encourage suppliers to apply OEKOTEX-certification, or source OEKOTEX certified materials.

We have started to apply this on new products however we have a work a head of us were we need to change OEKOTEX-certification on existing products.

We ask for OEKOTEX-certification were the certification is existing and doable. If the supplier don't have OEKOTEX-certification we have asked them to produce according to OEKOTEX-certification but we don't label these products with certification.

**Status :**

\* Encourage suppliers to apply FSC-certification, or source FSC certified materials. The pandemic has had some consequences on raw materials – price increases and lack of raw materials made us postpone this project to 2022. But also delayed deliveries have done that our current stock levels have been high and there have been no need for new orders at this category.

We have sourced an FSC supplier, and checked all relevant information with FSC org. We awaiting BSCI audit report – no order placed due to high stock levels on existing assortment.

\* Start the job of introducing a reporting system for deviations, with the help of a third-party inspection company and focus on the 5 largest suppliers – will be top priority during 2022. Due to strict policy from Chinese government regarding Covid-19 areas and cities have been closed long times during the year we have not managed to fulfil this goal.

We have mainly used BSCI and AMFORI audit reports – the domestic travel restrictions in China have made it difficult for us. We managed to do one third-party inspection at one of our toy suppliers.

\* Develop and educate the knowledge in Calsun team, which is on site, during the year we had recurrent online meetings were this topic was always on agenda.

Always on agenda and discussions during online meeting. EH report and our action plan has been reviewed together to create understanding – Calsun team have been open and transparent.

Risk mapping of supply chain:

\* Continue on-going risk mapping, continue on sub contractors level.

\* Investigate sub-contractors, find approved suppliers and document these, first priority will be textile. Through international initiatives coordinated by Ethical Trade Norway

By the help of Calsun we have investigated and mapped 80% of our sub-contractors, raw materials and packaging material – risk mapping is on-going.

Social compliance in supply chain:

\* Ensure number of suppliers who have undergone complete social audits is at a minimum of 70%

by end Dec 2022 and 90% by end Dec 2023. Remaining 30% must be involved in audit process by at least have signed CoC and completed self-assessment report – Main focus the coming years. During 2022 we received and have reviewed social audit reports from 76% of our suppliers.

\* Minimum 85% of all suppliers who have undergone social audit, must have been assessed with an "A", "B" or "C" in Amfori BSCI system or equivalent social audit.

All of audit reports we received had been assessed with "C" in almost all reports there are shortcomings/flaws on working hours and on the Social Management System.

3

**Mål :**

Status Barnas Hus 2022:

BH Nordic has worked dedicatedly, for a long time, with ethical trade for its own brands. This work continues unabated. In addition, from 2022 and 2023 we extend the work to our external suppliers. The number of external suppliers varies, but we have 42 suppliers that we are currently working with. We have started by communicating our Code of Conduct to all of these and asking them to sign. This turns out to take a lot of time, 17 suppliers have signed so far. The goal is to have all our suppliers to sign within 2023. In addition, we have changed our cooperation agreement to include our ethical guidelines and our minimum requirements. All new suppliers have to sign this cooperation agreement. At the same time, we will work to get existing suppliers to sign the new agreement throughout the year.

**Status :**

We have started to map up the countries of manufacture for all our suppliers so that we can identify where there might be risk and how to reduce it.

We also require for everyone who works with procurement to start training in ethical trading.

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**MÅL FOR KOMMENDE ÅR**

1

Goals Reflex/Blåbær Production as 2023:

- Continue to strengthen internal commitments by including due diligence and sustainable business practice in all meetings as well as continue training of employees.
- Start targeted work to calculate our carbon emissions. First step is scope 1 calculation. Training and webinar attendance which started during 2022 will continue in the coming year.
- Implement Amfori BEPI (The Business Environmental Performance Initiative) to improve environmental performance in our supply chain. Training and courses will start end January 2023.
- Amfori Academy – training for selected suppliers on relevant topics.
- Collaborate with Amnesty International to address two of our most salient issues which is discrimination in China and India.
- Start training of employees working with design and product development on responsible business conduct.
- Start investigate how to track and measure water management in our supply chain
- Increase focus on circularity in our product development and design process.
- Start preparations for implementing "product passport" which has been suggested by EUs green economy plan. Consider the framework of "Ecodesign for Sustainable Product Regulation"
- Continue to integrate and implement principles from the working group CFRPP (Common Framework For Responsible Purchasing Processes) to our daily work. Involve all employees.
- Find suitable certification for our products made of natural rubber

- Find suitable certification for our products made of viscose
- Update our policy on Unauthorized Subcontracting

2

Goals YNGRI 2023:

Establish internal minimum criterias for responsible business on collaboration with suppliers by end June 2021.

Send out updated criterias to all suppliers by end August 2021.

\* This point will be in our action plan the coming years eventhough all have signed - this to reach a habith strength.

Implement discussions regarding sustainability in all meetings and agendas. Applies internal meetings and meetings with suppliers.

\*Strategy plan made for all product categories within the brand - started to implement this on all new products. Next step will existing products.

We will continue to engage our agent and stakeholders in order to solve common challenges. We are committed to interacting with all our stakeholders in an ethical and transparent manner – to approach silent risks such discrimination, forced labour, child labour, environment and overall labour conditions.

\*We need to investigate the consequences of Covid 19 and how this have and will affect people.

Increase the proportion of recycled material on all packaging material

\*First goal of 50% will be reached Q3 2023 Changed to brown boxes on all strollers. Current status 30%

Increase the proportion of certified recycled material on stroller textiles by end of 2022 was the plan, we had to postpone this to 2024 since we are developing a new model.

\* We are developing a model which be launched after summer 2023. Due to shortage and price increases of raw material we have postponed this deadline.

Encourage suppliers to apply OEKOTEX-certification, or source OEKOTEX certified materials. Ongoing during 2021-2023

Encourage suppliers to apply FSC-certification, or source FSC certified materials. Ongoing during 2021-2023

Start the job of introducing a reporting system for deviations, with the help of a third-party inspection company and focus on the 5 largest suppliers.

Continue on-going risk mapping, continue on sub cuntractors level. We need to investigate our textile suppliers due to the reports regarding forced labour and child labour within the cotton industry.

Start to measure carbon footprint/emissions on freight and production process. Start with top 10 most sold products/year

Ensure number of suppliers who have undergone complete social audits is at a minimum of 70% by end Dec 2022. Remaining 30% must be involved in audit process by at least have signed CoC and completed self-assessment report.

Minimum 80% of all suppliers who have undergone social audit, must have been assessed with an "A", "B" or "C" in Amfori BSCI system or equivalent social audit.

Goals Barnas Hus 2023:

- Include responsible purchasing practice as topic in all meetings with management group
- Include responsible purchasing practice as topic in all meetings with category group
- Include due diligence and responsible purchasing practice as topic in all meetings with external suppliers
- Continue training regarding responsible purchasing practice and due diligence for our category department
- Continue our work with risk mapping for external brands
- Prepare and start up work regarding GHG emission within scope 1 & 2.
- Increase share of environmental certified products from our external brands
- Recertify shops and office within Miljøfyrtårn

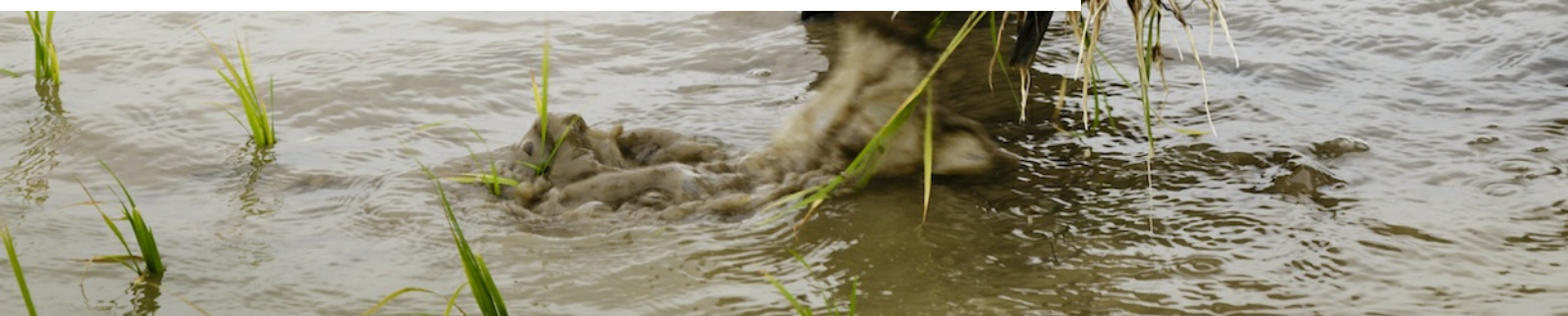




# 1

## Forankring av bærekraft i virksomheten

Forankring av ansvarlighet knyttet til bærekraftig forretningspraksis i virksomheten handler om å ha strategier, planer, relevante policyer\* og retningslinjer for aktsomhetsvurderinger som er vedtatt av ledelsen. Disse bør omfatte hele virksomheten, samt virksomhetens leverandørkjede og forretningsforbindelser. Effektive styringssystemer for implementering er en forutsetning for å lykkes, og arbeidet med aktsomhetsvurderinger bør være en integrert del av virksomhetens forretningsdrift. Tydelige forventninger fra toppledelsen, samt tydelig plassering av ansvar innad i virksomheten for implementering av de ulike delene av aktsomhetsvurderinger er viktig. Alle involverte må vite hva de skal gjøre. Åpenhet om forpliktelser virksomheten har til seg selv, utfordringer de står overfor og hvordan dette håndteres, er vesentlig.



## 1.A Policy\* for egen virksomhet

### 1.A.1 Lenke til offentlig tilgjengelig policy for egen virksomhet

<https://www.barnashus.no/globalassets/pdf/policy-for-barekraft-og-etisk-handel-06.02.2023.pdf?ref=E2A87C80EA>

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### 1.A.2 Hva sier bedriften offentlig om sine forpliktelser til å respektere mennesker, samfunn, miljø og klima?

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 Miljøfyrtårn 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.3 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 private 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 good's production takes place in China.

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## 1.B Organisering og internkommunikasjon

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

The CEO is responsible for the business practices related to sustainability, human rights and the workers' rights in BH Nordic AS and Barnas Hus Norge AS. This is because the company have a small organization and that sustainable business practices are a natural part of our operations. In addition, the category dept. where all the purchases are carried out, is responsible for following up and implement the company's guidelines and strategy. Due to a couple of dismissals and resignations we are reorganising the department and transferring the purchases from several category managers to one purchaser. This will give us the oportunity to focus more on ethical trade and develop knowledge in the company.

HR is responsible for HSE and the Miljøfyrtårn 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 and Yngri (equipment and accessories). Here we use Blåbær Production AS and Barnens Hus AB as sourcing partners.

Blåbær Production AS and Yngri/Barnens Hus AB, as our sourcing partners, have a key role implementing sustainable business practice regarding Yngri and Reflex. CEO BH Nordic and Barnas Hus Norge AS is also CEO in Barnens Hus AB. Blåbær Production AS has one customer only and is "tied up" to BH Nordic AS in that sense. We meet with our college in Barnens Hus weekly and with Blåbær Production AS every month. Category team and CEO also travel with Yngri and Reflex 3-4 times a year to visit plants I Asia (before Covid).

Regarding other brands and products, we are selling in our stores, we require, in the suppliers' contracts, that the brand/products/producer has an environmental certification and can document it. If not, they must document a plan to do so in the nearby future. This is not something our external suppliers have much focus on yet, so it is challenging for us, but we have a goal of increasing the number of products with environmental certification by 10% every year going forward.

We have included demands regarding sustainable business practice in our cooperation agreement for external suppliers. They will have to sign it before they can enter our stores. We also demand them to sign our CoC and minimum production requirements. Reporting lines in the work are shown in the organizational chart.

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### 1.B.2 Hvordan blir betydningen av virksomhetens aktsomhetsvurderinger konkretisert og tydeliggjort for de ansatte gjennom stillingsbeskrivelse, arbeidsoppgaver og incentivordninger?

All employees in key positions outlined in the organizational chart have been involved in the process both in terms of HSE, Miljøfyrtårn 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, Category 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 and Yngri 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 Blåbær Production AS and Barnens Hus AB, we have accumulated a high level of expertise in two areas that are significant and important in connection with the production of clothing and equipment, especially in China and India - chemical use and regulations, organic textiles 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 both Blåbær Production AS and Barnens Hus AB keep themselves up to date in these areas on an ongoing basis. They have visited the factories several times a year for several years.

BH Nordic's own employees in the category lack broad expertise in the same areas. These have increased their competence through 2022 by participating in courses and seminars organized by Ethical Trade and by transferring competence from Blåbær Production AS and Barnens Hus AB when visiting China together in the years before that.

In 2023 we will train our key staff in The Norwegian Transparency Act.

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## 1.C. Planer og ressurser

### 1.C.1 Hvordan er virksomhetens forpliktelser til 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.

Action plans for 2023 for both Reflex/Yngri is made in close cooperation with Blåbær Production AS/Barnens Hus AB and the category team in Barnas Hus Norge. The category team in Barnas Hus Norge determines the level of ambition and final measures.

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

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 forretningsforbindelser, spesielt i leverandørkjeden?

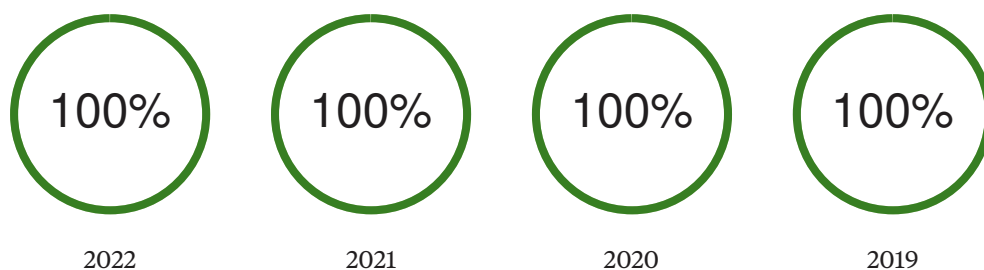
On behalf of BHN, Blåbær Production AS and Barnens Hus AB, communicate directly with all suppliers of Reflex and Yngri. All suppliers are expected to make systematic and targeted efforts to comply with BHN's Code of Conduct (CoC). Various elements and parts of CoC are discussed frequently with our suppliers 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 1-2times/year. Revised regulations and/or limit values are discussed during meetings and continuous dialogue. Furthermore, Blåbær Production AS and Barnens Hus AB, 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.

BH Nordic has distributed the company's Code of Conduct to all our external suppliers. They were asked to sign it. We also followed up a couple of the smaller suppliers with meetings to ensure that they actually have reliable routines. In addition, we have defined BH Nordic's Minimum Requirements, which have been included as part of the collaboration agreement.

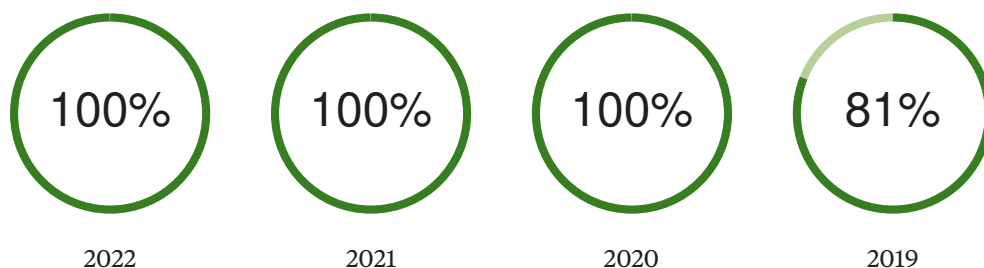
## Indikator

### Percentage of Reflex suppliers that have accepted Guidelines for suppliers



Reflex/Blåbær Production: Since year 2018 100% of all commercial suppliers have received, signed and accepted our guidelines for suppliers. Revised and updated CoC & Policy was sent out during spring 2022 and is also signed and accepted by all suppliers.

### Percentage of Reflex suppliers that have accepted Chemical Contract



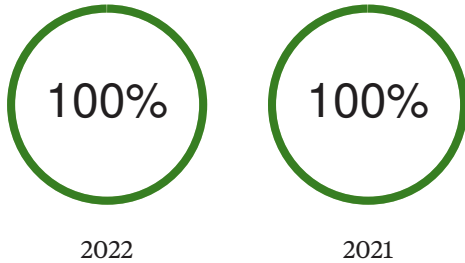
Reflex/Blåbær Production AS: Since early 2020 100% of all commercial suppliers have received, signed and accepted our Chemical Contract and follow up locally their production is in accordance with regulations &

guidelines.

Yngri: We produce many different product within many categories – a few products are made of 100% textile. During 2022 will take action on all products that are made or have textile.

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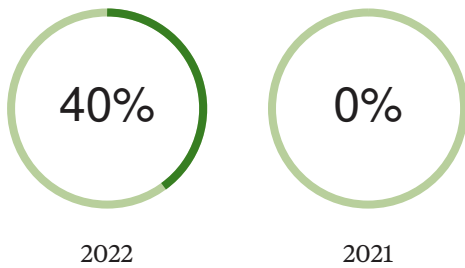
**Percentage of Yngri suppliers that have accepted Guidelines for suppliers**



Yngri: Since 2021 100% of all commercial suppliers have received, signed and accepted Policy and COC. New suppliers during 2022 have signed and accepted.

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**Percentage of the company's external suppliers (excl. Yngri/Reflex) that have signed our revised guidelines for suppliers**



Revised CoC was sent out by the end of 2022 to our external brand suppliers and therefore we have not reached higher level, this is prio during Q1-2 2023.

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## 1.E Erfaringer og endringer

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

Reflex/Blåbær Production as:

As part of our continuous effort to improve and evaluate our purchasing practices and working methods, we sent out an updated questionnaire to all first-tier suppliers in July 2022. Our aim was to collect valuable data from suppliers and request honest feedback regarding our purchasing practices and collaboration with suppliers. Further we wanted to detect our main improvement areas. As we are constantly demanding more from our suppliers regarding sustainable developments, transparency and social improvements, we think it is only reasonable to understand suppliers' perspective and response to these developments. 100% of our first tier suppliers were asked to give their honest feedback. We received a complete reply from 95% of these suppliers. Findings from questionnaires have also been shared with our main customer Barnas Hus to emphasize the effect and importance of responsible purchasing practices. Key points and improvement areas that were detected were early order placement, fair payment terms, long-term collaboration, increased predictability & forecasting. The main challenge and weakness of this kind of mapping is the dynamics between us as customers/purchasers and our suppliers. Even though we ask for 100% honest feedback and emphasize that answers will not affect future business, we suspect that some suppliers may be affected by this dynamic and into a certain extent be restrained. Additionally, this kind of mapping should preferably be 100% anonymous to make sure suppliers feel safe and comfortable to address any issues. Unfortunately, we did not have a system for this kind of anonymous feedback, but we will look for solutions for this in the coming year.

Several new regulations and updated requirements have been introduced during 2022, from the Norwegian Government as well as the European Union. EU has also suggested new guidelines for greener economy and Corporate Sustainability Due Diligence that will be implemented within a few years. As we are constantly trying to improve our own practice, and also require our suppliers to improve, we do our best to inform and prepare as early as possible. This is a part of what we see as fair collaboration with our business partners, but we also think it is necessary to introduce and implement new routines.

The year 2022 has unfortunately been dominated by geopolitical tensions, war and a disruption of human rights. Russia's military attack and invasion of Ukraine has not only disrupted the collaboration within Europe, but also worldwide. The war and its many consequences have shown that we are living in a time characterized by uncertainties which make due diligence work even more important, but also challenging.

Status at the end of 2022 was that only 13% of the world's population lived in a democracy, while 70% lived in an autocracy. This is a set-back to 1989 level and indicates how important it will be to fight for human rights and justice in the years to come.

Other experiences from the past year are that expectations to companies' due diligence work are increasing, driven by legislations, consumers and investors.

Yngri:

The uncertainty that we had in 2021 followed and worsened in 2022.

During end of Q1 in 2022 most of the world opened and removed restrictions – but in China the situation did not change during 2022. It got worse, with tighter restrictions and more shutdowns. During the fall it led to protests in China and pressure on the government. By the end of 2022 restrictions were eased – but there is still uncertainty.

Russia's war and aggression against Ukraine started in the beginning of 2022, this choked and affected the world in many ways. EU, USA, and other countries acted with sanctions and many companies withdrew from Russia. Gas, oil and electricity prices began to skyrocket - this had an immediate effect on all production around the world where prices have risen sharply leading to inflation and uncertainty. Due to the war, we ended our relationship with our manufacturer in Russia and moved our manufacturing of baby care products to Poland. We and our colleagues from Norway have visited these manufacturers two times during 2022, they have signed agreement, CoC and are informed about the Norwegian Transparency Act.

We have been affected by pandemic in China in many ways – the restrictions and shutdowns in China lead to that Calsun could not visit manufactures sometimes and discuss product development or do inspections. And we could not travel to China at all during 2022. And prices on all raw materials have increased several times during the year - we have also experienced shortages of raw materials.

The sea freight situation was the same as 2021 with chaotic sea freight with a large shortage of containers, record high prices, closed ports, queues to ports in almost all major ports around the world. During the autumn the

situation improved and now it looks like before the pandemic, with prices however lead time is still affected. During the start of 2022 we did send out updated CoC to all our manufactures and within 6 weeks we had them signed from all. We have moved some production in China due to that pandemic affected some manufactures and they had to shut down their business. We also have new manufactures due to new products and categories – these we sourced by the help of Calsun and are manufacturers that we have been working with before. We have a long-term experience within the industry and have been working with these suppliers for many years; our agent Calsun and the staff in this team are supporting us on spot and done production and shipment inspections if they were allowed to travel. We have continued with online meetings with suppliers and our agent, however the connection has been bad and not online tools are working without VPN. Power shutdown and local shutdowns due to Covid 19 have made it to a challenging year.

Lessons learned during 2022:

- Online meetings can't replace face to face meeting and to grow long term business relations and understanding we must meet in person. This comment has been in last reports though two years pasted we need to meet in person – the new manufacturers we have in Poland have shown us what we can do and understanding when we meet in person.
- Mapping and reviewing subcontractors with one manufacturer at a time and learning of this gives us more knowledge than seeking quantity.
- Sending a long-term order plan with the possibility to correct well in advance gives our suppliers great help with planning – during 2022 we did this on almost all suppliers.
- Our cooperation with Calsun (agent) have been very important, they have informed us in detail about all local challenges due to the pandemic and been on site on productions were they informed us about their experience from the supplier – during the year Calsun team have been affected of local shutdowns several time and could not travel. We also shared our action plan with Calsun team – this have helped us by mapping subcontractors and risk analyzes when we start new collaborations.
- When inflation will reverse, order volume to China will increase sharply and rapidly from all over the world. We then have to monitor the consequences of this and plan well in advance so that our part does not have a negative impact, while at the same time we have to continue working with the goals we set for labor, environment and sustainability and we must work hard for a will to change with our manufacturers and follow our strategy.

Barnas Hus:

Until 2021, BH Nordic has concentrated its work with Ethical Trade around its own brands. In 2022, we have expanded our focus to our external suppliers. These are mainly large, international players with production and distribution in several countries. We see that although they most likely take ethical trade seriously and have good control over their producers, it is time-consuming to obtain documentation. So far, half of our suppliers has signed our Code of Conduct. We will make sure that all the external suppliers sign within 2023. If any of the suppliers are unable or not willing to sign, we will reconsider the cooperation. We will also spend the current year to increase awareness and knowledge of ethical trade in larger parts of the organisation, primarily among everyone who works with our suppliers.

During 2022, we ended the collaboration with a Russian partner. This required a stop in the production of Yngri for a while, until we found a new partner in Poland.

Furthermore, we have updated our standard cooperation agreement. We have included both our Code of Conduct and Minimum Requirements as integrated annexes to the agreement. It will ensure that ethical trade will always be a topic when existing collaborations are updated, and new collaborations are entered created. We are careful during the process of selecting new partners and do not start a collaboration if we discover that the supplier does not take ethical trade seriously enough.





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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.



## 2.A 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 prioriterte risiko for negativ påvirkning/skade på mennesker, samfunn og miljø. Merk at de prioriterte risikoene dere lister opp i tabellen under vil bli overført til trinn 3 av denne rapporten, hvor dere vil bli bedt om å besvare hvordan dere arbeider med å stanse, forebygge eller redusere den negative påvirkningen.**

Prioritert negativ påvirkning / skade	Relatert tema	Geografi
Child labour & forced labour in Natural Rubber, Cotton, Viscose and Footwear industries	Tvangsarbeid Barnarbeid Diskriminering Brutal behandling	Kina India
Labour conditions	Brutal behandling Helse, miljø og sikkerhet Lønn Arbeidstid	Kina India Sør-Korea Sri Lanka Tyrkia
Discrimination	Tvangsarbeid Diskriminering Brutal behandling Arbeidstid Regulære ansettelses Marginaliserte befolkningsgrupper	Kina India Sør-Korea Sri Lanka Polen Tyrkia
Water Usage Cotton industry: Mainly related to business in India, but also related to China	Miljø Vann	Kina India
Hazard chemical use in in our complete supply chain	Helse, miljø og sikkerhet Miljø Avfall	Kina India Sør-Korea Sri Lanka Tyrkia

Environmental issues	Miljø Drivhusgasser Energi Avfall Vann Materialbruk	Kina India Sør-Korea Sri Lanka Polen Tyrkia
Corruption	Korrupsjon	Kina India Sør-Korea Sri Lanka Polen Tyrkia

Barnas Hus recognize that there is a risk that damage to the environment and corruption may occur within our supply chain. To reduce the risk and influence their choices and ethical standards, we make our expectations and requirements clear. We have therefore asked them to read and sign our Code of Conduct. This will be followed up in 2023.

Reflex/Blåbær Production AS & Yngri:

Salient issues in above table shows our priority focus areas, with regards to risk assessment, to follow up closely and do our efforts to improve situation. Above risks are listed in random order as we consider all to be important in different ways. We will target each point in best manner and try to improve issues where we have a greater influence level.

- Child Labour & Forced Labour: Related to natural rubber plantation in China, cotton industry in both India & China, viscose industry in China and footwear industry in China.
- Labour conditions: Related to all countries in our supply chain
- Discrimination: Related to all countries in our supply chain, but are linked to higher risks in India & China
- Water Usage Cotton industry: Mainly related to business in India
- Hazard chemical use: Related to all countries in our supply chain
- Environmental issues: Related to all countries in our supply chain
- Corruption: Related to all countries in our supply chain, but are linked to higher risk in India & China

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

**2.A.2 Beskriv: a) virksomhetens rutiner for kartlegging og identifisering av risiko og hvordan den negative påvirkningen/skaden ble identifisert og prioritert i denne perioden. b) eventuelle deler av virksomheten som ikke er dekket i denne rapporteringen (produktgrupper, egne produkter, avdelinger eller lignende) og hvorfor dere har valgt å ikke prioritere disse i det videre arbeidet; c) hvordan informasjon ble hentet inn, hvilke kilder som er benyttet og hvilke interessenter som er involvert/dere har snakket med; d) om det er identifisert områder eller tema hvor det er manglende informasjon for å danne seg et helhetlig bilde, og hvordan dere planlegger å gå frem for å få mer informasjon/håndtere dette.**

Barnas Hus started the survey of external suppliers in 2022. So far we experience that they take the ethical aspect of the business very seriously. Nevertheless, it is important for Barnas Hus to get 100% overview of the supply chain so this work will continue in 2023. However, as explained above, we have no reason to suspect that our North European partners, with strong, international brands, do not meet the requirements. We consider our own brands and their supply chains to have most salient risks. But also we believe this is the supply chains where we have the most significant influence & leverage for improvements. Based on this, we put our main focus on risk

assessments within the Reflex and Yngri supply chains.

a) In order to identify and map our company's risks within our own brands Reflex and Yngri, risk mapping is done continuously, and our risk mapping report is updated at least once a year. Mapping is based on reports on relevant countries, industries, and product groups. Our risk assessment is also based on knowledge and input from webinars, courses and resources, third party audit, certifications, suppliers' self-assessment as well as our own experience and conversations with suppliers. In case of a significant change related to our production, production countries or other factors that may affect our activity, the risk mapping is updated in order to implement new efforts or preventive actions. Blåbaer AS and the Yngri team in Barnens Hus AB have the main responsibility for conducting and updating our risk assessment of Reflex and Yngri – the CEO of Barnens Hus has the main responsibility, but is regularly communicated to all employees to make sure that the due diligence work is based on updated assessments. We started with risk mapping our own brands as the risk is significantly greater with our own brands than with external brands. The mapping of our external brands has started and is ongoing work to further minimize the risk.

Based on this year's risk assessment, we have prioritized six focus areas. Child Labour (& Forced Labour) which was also a focus during the previous year is still among our most salient risks. According to collected data and reports relevant for our production, this is particularly related to natural rubber plantation in China, viscose industry in China, cotton industry in both India & China, and footwear industry in China. These supply chains are also long and complex which makes it particularly challenging to approach.

Discrimination was also prioritized during previous year. This risk is of course related to all countries in our supply chain but are linked to higher risks in China and India. This has once again been supported by a number of reports and disclosures published this year. We therefore need to continue to address this issue and involve stakeholders.

Labour conditions, water usage, hazard chemical use and environmental issues in general are all risks particularly connected to the textile industry in general. We have selected these as prioritized risks as we see this as essential to reach for the sustainable development goals.

Corruption is still an ongoing focus as this is the major obstacle for achieving progress on other focus areas. We have for example used the Corruption Perception Index to navigate and collect data. Corruption is related to all countries in our supply chain but are according to our sources linked to higher risk in India & China. Measures that are taken to reduce risks are explained further in the next chapters of this report.

b) The prioritized risks in our risk assessment are selected and prioritized based on our evaluation of where we as a business may have the most and severe impact, therefore our company have prioritized our own brands, Reflex and Yngri. We consider our most salient risks to be connected to our supply chains in our production countries China, India, Sri Lanka, Turkey and South Korea, and this is also where we have the ability to actually have an impact. Considering our company's total activity and business, there are some aspects that are not prioritized in our risk assessment. For example, purchases of freight services, business travels and our daily office tasks are not prioritized, as we consider the risks and possible negative affects connected to these purchases less severe. Furthermore, our possible impact will naturally be far more limited than the production we are directly linked to. As we have recently started the work to integrate climate accounting for our company to track our emissions, we have not focused on our indirect impact until now. As our climate accounting become more integrated and complete in the future, we will have the possibility to consider how to integrate these in the risk assessment and prioritization as well.

c) Our risk assessments are determined and based on:

- Risk mapping by country & product: To be able to do a thorough risk mapping which is customized for our business and activity, we have received useful tools from Amfori, Ethical trade Norway and ETI Sweden to gather and collect needed data and information. We include a wide range of various resources from NGO's, NPO's & labour unions such as international reports, statistics, official indexes, official regulations & guidelines from authorities which is regularly updated.
- Perspectives and information from webinars and online events are also included and considered continuously.
- 3rd party audits, certifications and self-assessment reports:
- Video meetings and discussions with suppliers
- Video meetings with stakeholders
- Our experience
- Stakeholder dialogue: We strive to include dialogue with relevant stakeholders in all cases where this is relevant. For several of our salient risks, this has been the case. For example, when addressing discrimination in

China and India we see the value of communicating with organizations that have perspectives, insights and updated information that is relevant and useful for our risk assessment. This dialogue will enable discussion of possible dilemmas and challenges when approaching and addressing the risks in our supply chain. They will also function as a critical voice that might push and motivate us for continuous improvement and action which is needed.

- Reducing and restricting the use of chemicals is also an important focus area for us where stakeholders have been central. The networks RISE Chemicals Group, Chemsec and Substitutionscentrum are highly valuable for us when approaching risks regarding chemical use in our supply chain. Their tools and guidance enable us to stay up to date on new research, advise and coming legislations related to chemical substances.
- Amfori, Ethical Trade Norway, ETI Sweden, Amnesty International, IDSN, RISE Chemical Group and The Norwegian Uyghur Committee are among stakeholders we have involved and/or consulted.

We seldom bring in new manufacturers to our supply chain. We always seek to form long term relations with suppliers and business partners who share our values. It is also important that our suppliers focus on offering decent working conditions and environmental practices in the supply chain. In cases where we do meet interesting suppliers that are potential new partners, we collect certificates and audit reports. Our experience from these cases is in general that our existing suppliers holds a high level when it comes to social and environmental performance. Collecting data for comparison and perspectives gives us valuable insight and is important to stay up to date on the development within the industry and among suppliers.

d) Through long term relations, and limited number of suppliers, we have achieved full overview in 1st tier of our own brands Yngri and Reflex. This is a significant and ongoing project which now include second tier and a full transparent supply chain as our long-term goal. The supply chains in the hardware, textile and footwear industry are however long and complex, which makes it challenging to achieve a full overview. Our experience is that it gets far more challenging to have complete and reliable information further down in our supply chain. Even though factory certifications, certified materials, audits and transaction certificates/certificates of origin are minimizing the risks connected to these tiers, we must acknowledge that we need to work actively to gain a better overview of our complete supply chain in the coming year. A particular focus area during 2023 will be viscose and rubber, as these product groups are linked to risks that must be addressed and we acknowledge our overview here is not satisfactory. Until now, it has been challenging to receive sufficient information from our suppliers to achieve full overview and transparency. We will during the coming year collect more information and select suitable certifications which will be our first steps to address these issues. In general, we will continue the work to increase the number of certified materials and products as we see this as important to reduce risks. In addition we lack complete information for textiles origins in our hardware category for Yngri. In terms of our external brands our risk mapping have started and is ongoing – this is a topic that will be on our agenda during all meetings during the year.

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## ANNEN NEGATIV PÅVIRKNING/SKADE

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

Reflex/Blåbær Production & Yngri:

- Animal Welfare & wool fibres/farming:

Animal welfare is an ongoing focus area and has also been prioritized during 2022. It is clearly stated in our COC that measures should be taken to minimize any negative impact on the welfare of livestock and working animals. We do not accept wool from sheep who have been subject to mulesing, and require our suppliers to follow same practice. During 2021 we launched RWS-certified yarn and products to secure stricter standards and requirements throughout the supply chain. This engagement was decided to be prioritized further in 2022, but several changes have been made by the certification owner which has complicated the process of communicating our choice of certified wool to consumers. We have been purchasing certified wool to reduce our risks and to ensure traceability and responsibility as far as possible. We have collected transaction certificates to ensure purchased wool is controlled and legitimized by a third part.

During 2021 we engaged with the organisation the “Norwegian Animal Protection Alliance” to discuss how certifications and other measures can be evaluated to communicate animal welfare to consumers in best possible

way. Our common goal is to increase transparency for wool garments and make sure that consumers can be confident that brands take action to minimize negative impact and secure animal welfare in their supply chain. In this case as in other cases, we believe that dialogue between NGO's and companies from the textile industry is constructive for sharing knowledge and experience. While organizations like NAPA have important perspectives and information related to their area of expertise, it is also a fact that buyers, product developers & designers have experiences & insights that are essential to combine with these. We hope that this kind of dialogue will be even more constructive in the future to make sure that consumers get credible and transparent information related to products put to the Norwegian market.

- Worker Representation / Grievance mechanism

Worker Representation/Workers Committee has been challenging to follow-up and/or control in a year without any opportunities to visit suppliers or meet them face to face. We have however continued to stress this issue via email and video meetings and will continue to do so. Information and guidelines on how to establish have been sent out.

Several suppliers have been sharing details regarding worker representation, meeting summaries and plans for further progress. Even though we get the impression that our suppliers are more aware of the importance of regularly and good communication between workers and management, we acknowledge that we have limited possibilities to control whether these are well-functional. The risk of "ghost union" is highly relevant in China and India and must be taken into consideration.

It is correspondingly difficult to ensure that Grievance mechanisms are established in a well-functioning way that takes both employees and local communities into account. We hope for and target to take part in Amfori "Speak for change". This new grievance mechanism will provide a collaborative tool helping us address risks in supply chain and comply with legislations.

- Insurances:

We still experience that some factories do not have a satisfactory insurance for all their employees. What is repeated is that a certain proportion of workers are not covered. Laws and regulations regarding insurance for employees in China are complicated and vary from rural areas to country side.

During 2022 we have continued to follow up on insurances in China. For all order placements we have required suppliers to make sure that insurance is offered to all employees/workers. Our minimum requirement is that insurances must cover any cases of injury and/or illness which is in any way related to work.

- Transparency:

Our focus and demands regarding transparency have been naturally increasing since 2021. The Norwegian Transparency Act which was set into force 01.07.22 has in many ways been helpful to communicate our demands to business partners. Even though this has been included in our Code of Conduct and communicated to all suppliers since 2021, a few suppliers have been less willing to provide full transparency regarding their sub-suppliers. This has though been improved step by step, and transparency is an integrated part of collaboration with all suppliers. Our supply chain is however more complex and challenging than we first assumed, which means that full transparency is something which needs our on-going focus and targeting. During our updated mapping of purchasing practices conducted this year, suppliers stated that communicating increased demands for transparency and improvements to their sub-suppliers is among their main challenges. They also reported that increasing demands are time-consuming tasks which requires significantly more work.

- Fire Security:

Fire security is still among our ongoing focus areas. Several suppliers continue to share photos and training videos from fire drills at factories. Some factories do internal training and drilling, while others contact local fire department for assistance with drills and professional competence. Pictures and updates are sent to us regularly by email by some suppliers. For majority of our suppliers which regularly go through a BSCI-audit, fire security is covered and followed up by the auditor.

- 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 enough workers to avoid overtime in peak season will have too heavy costs and may lead to financial loss and in worst case bankruptcy. To add seasonal workers during peak season is an option but may lead to unskilled workers and/or new issues regarding labour

conditions.

Reviewed reports and audits show that 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.

During our updated mapping of purchasing practices conducted this year, we detected that many suppliers experience small or minor improvements regarding early order placement from their other customers. As this has been one of our main focus areas during the last years, we are slightly surprised that this is still the case. As we know that this is important to reduce workers' overtime at our suppliers' factories, we do however hope that this will improve in the coming years as more focus and regulations will be put into force.

- Subcontracting:

As explained above, subcontracting and overtime is somehow related. Subcontracting is common in China, and not necessarily a problem. Problem occurs when subcontracting is unauthorized, and brand owner/buyer loose overview and transparency. Unauthorized subcontracting is not allowed in our supply chain. We consider this issue as small risk today due to our very early order placements and clear policy. This is though a topic which require on-going monitoring and follow-up. We have a policy for Unauthorized subcontracting, but as this was last updated in 2019 we see the need to revise this document. This will be prioritized during first quarter of 2023.

- Product specifications:

Studies of purchasing practices and its effect on the supply chain has shown that incorrect or deficient product specifications are among the main contributors to poor working conditions. We want to be as accurate and clear as possible towards our suppliers to avoid unnecessary misunderstandings and insecurities. We therefore strive for ongoing improvements to make our product specifications even better.

#### Negative impact during 2022:

##### Yngri:

In December 2022 our marketing received information from TV2 Norway that they wanted Barnas Hus for an interview. This because Trygg Trafikk in Norway had tested reflexes for strollers and Yngri stroller reflexes turned out to be of bad quality and they were not CE-marked.

This lead to an immiditate sales stop in all of our stores and we sent and out information on our web pages that customers can receive their money back – we also informed Calsun about what happened.

We found out 2 other products with similar functionalty that were missing CE-marking and we withdrew them from the market as well.

All of these products were ordered 2019 and the regulations regarding these products changed the year before, this was missed by us. The products were tested upon arrival but function deteriorates over the years and they have a lifespan.

Our team created a new internal routine and regulations when purchasing CE-marked products, the team is informed, uploaded in HMS and we have informed China.

All costs regarding this issue have been taken by Barnas Hus and no supplier have affected in any terms.



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 scene is brightly lit with overhead fluorescent lights.

### 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 uvesentlig 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

Prioritert negativ påvirkning/skade	<b>Child labour &amp; forced labour in Natural Rubber, Cotton, Viscose and Footwear industries</b>
Overordnet mål :	No occurrence of child labour or forced labour in in our supply chain. Demand of transparency in our supply chain. Acceptance and understanding of our Coc from first-tier suppliers in order to gain improved impact.

**Status :**

The natural rubber industry has been highly associated with child labour. China is among the five largest natural rubber producers in the world (based on numbers from 2020) and their annual production has increased massively since 1960. Despite that employment of children under the age of 16 is illegal under Chinese law, we must acknowledge and address this risk.

According to the U.S. Department of Labour List of Goods Produced by Child Labour or Forced Labour, cotton may be produced with forced and child labour in India. Audits by FWF found signs of both forced labour and child labour of audited factories in Tirupur surroundings. In the clothing and textile production industry in Southern India (Tamil Nadu region), forced labour in the form of the "Sumangali System" is well known. Victims are mostly Dalits (outcaste) girls who are extra vulnerable to exploitation. Our supply chain mapping for India shows that there is no child labour or forced labour in our supply chain. Information is supported by certified cotton. We do though recognize that a complete overview here is difficult and complex due to limited opportunity to monitor all operations all the way back to cotton farming. Furthermore, we know that cotton production and supply chains in Indian garment industry are challenging in regard to risk assessment.

During 2022 further reports and disclosures have detected extensive abuse and exploitation of the Uighur population and other Muslim and Turkish minority communities in the Xinjiang Uyghur Autonomous Region and elsewhere in China. Previously this has particularly been associated with cotton industries, but recent reports indicate that the same risks can be associated with viscose.

There is reason to believe that forced labour occurs in the production of footwear in China. Authorities use threats of physical violence, forcible drug intake, physical and sexual abuse, and torture to force detainees to work in adjacent or off-site factories or worksites producing footwear. As far as we have the possibility to control, neither child labour or forced labour is existent in our supply chain in China. This includes all manufacturers, authorized sub-contractors, suppliers and sub-suppliers. Our information is based on discussions with factories, studies of audit reports, certificates made by 3rd party companies and supported by information from NGO`s. However, we realize that state-sponsored forced labour is intensifying under the China government's mass detention and political indoctrination campaign against Muslim minorities in the Xinjiang Uyghur Autonomous Region, and it is possible that hundreds of thousands of workers are being subjected to forced labour as part of this effort, and may also apply other industries in the apparel supply chain.

#### Mål i rapporteringsåret :

- Improve mapping of supply chain related to rubber boot manufacturers.
- Increase our presence and audits further down in our supply chain. Seek advice at local NGO`s.
- Work to collect trustable data.
- Increase GOTS-certified cotton in supply chain.

#### Utførte tiltak og begrunnelse :

During 2022 we have requested increased transparency and detailed info from our supplier of rubber boots concerning natural rubber. We have expressed our concerns regarding the rubber industry to our supplier and have emphasized the importance of due diligence regarding forced labour and child labour. Our suppliers are well aware of our policy, and they have communicated and emphasized this to their sub-suppliers.

Cotton industry: All our cotton used for final production in India is GOTS-certified. We have also increased GOTS certification, and taken steps for future increase as well, for Indian cotton used in our production done in Sri-Lanka. GOTS-certified cotton has also been introduced in production in China. We aim to continue this progress during next few years. Our first-tier suppliers in India and Sri-Lanka holds SA8000- and SEDEX-certificates which addresses social conditions and labour rights. Suppliers in China provide BSCI-audits regularly. 97% of all cotton in our cotton garments ( >50% ) have certified organic cotton which is confirmed by a transaction certificate.

We have increased proportion of 3rd party audits at our footwear suppliers and increased insight and overview: 100% of all manufacturers have conducted BSCI audit during the last 18months. Our footwear manufacturers have on average 72% migrant workers, while balance manufacturers only have 7%. An average of 65% of workers have insurance.

We have adopted a separate policy on XUAR to be clear about our position and requirements towards all suppliers, business partners and other stakeholders. Furthermore, we have required all cotton used in our products to be sourced from other countries than China and required TC`s to confirm cotton origin.

#### Mål og aktiviteter for kommende rapporteringsår :

- Natural rubber: We see the need to adopt further measures to increase our traceability of natural rubber. Therefore, we will select and implement a certification requirement for our products made with natural rubber during 2023.
- Cotton in India: Proceed with GOTS-certification for all cotton products from India. Continue to require and control transaction certificates.
- Footwear: Continue mapping of footwear manufacturers in general and require more strict improvements during 2023 to ensure improved labour rights.
- Cotton and viscose in China: We will proceed with certification requirement for our cotton products as well as our demand for cotton origin outside of China. We will address viscose further in the coming year and will during 2023 select and implement a certification requirement for all viscose products.

<p><b>Prioritert negativ påvirkning/skade</b></p>	<p><b>Labour conditions</b></p>
<p><b>Overordnet mål :</b></p>	<p>Improve labour conditions in our supply chain. Ensure safe &amp; good working environments, address workers' rights, decent wages, insurances and equal payment.</p>
<p><b>Status :</b></p>	<p>Labour conditions is a salient issue concerning all countries in our supply chain. We have however experienced that this needs to be addressed in various ways for each supplier, depending on country, culture and resources. Labour rights will also be related to other salient issues such as discrimination. This is particularly the case for India &amp; China. Lack of trade unions in our production countries is among the greatest risk regarding labour rights.</p> <p>China: According to ITUC Global Rights Index, the ruling party in China do not respect basic rights. Migrants have to endure forced and excessive overtime, and poor and unsafe working conditions. The apparel and footwear industry are among sectors with high chance of forced labour. Freedom of association and collective bargaining is often violated in the textile sector. Official minimum wage is below living wage and excessive overtime is common. Migrant workers from the poor rural areas make up the majority of the workforce in the garment industry, and they have no/less rights for health care and social security. China has not signed the ILO-conventions on forming unions and collective negotiations (C87 and C98) &amp; freedom of association is not protected by law. Living wage may differ among different areas and provinces.</p> <p>India: Governments and employers tend to restrict the rights of workers through violations of collective bargaining and the right to strike, as well as exclude workers from unions. The lack of trade unions severely compromises industrial relations across India. In India, only a few social security measures are implemented for the large group of laborers in the informal sector.</p> <p>Since the start of the COVID-19 pandemic in March 2020, the wages of textile and garment workers in India and Sri Lanka (among others) have plummeted. This is mainly due to massive order cancellations and unilateral discounts imposed by garment vendors. Furthermore, factories have used the pandemic as a cover to fire union members and thus undermine workers' ability to negotiate higher wages or protest against wage cuts.</p>

**Mål i rapporteringsåret :**

Improve labour conditions in our supply chain. Ensure safe & good working environments, address workers' rights, decent wages, insurances and equal payment.

**Utførte tiltak og begrunnelse :**

Our updated order terms includes requirements that all our suppliers shall offer workers living wage and insurances that will cover any accidents or injuries related to work. Furthermore, we have required establishment of worker representation at all factories.

**Mål og aktiviteter for kommende rapporteringsår :**

Through Blåbær's membership in Amfori we will follow up our suppliers' continuous improvements within these performance areas. We will continue our focus and requirements regarding living wage, insurances, working hours, working representation and grievance mechanism.

<p><b>Prioritert negativ påvirkning/skade</b></p>	<p><b>Discrimination</b></p>
<p><b>Overordnet mål :</b></p>	<p>No discrimination in our supply chain. 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.</p>

<p><b>Status :</b></p>	<p>China and its regime conducts a campaign of repression against journalism and the right to information worldwide. World Press Freedom Index rank China as number 175/180 countries. More than 100 journalists are currently in prison in China (which accounts almost 20% of all journalists imprisoned worldwide) Updated international reports show that discrimination and oppression of minorities and vulnerable groups is still a severe problem worldwide. This risk applies for all countries in our supply chain, but India and China are both highlighted due to the high risks and scope related to these countries. According to Amnesty International the oppression of religious and cultural minorities in China is a severe and increasing problem. Even though the discrimination of Uyghurs in China is historically rooted, there are indications that conditions are only getting worse. The oppression of freedom of expression and association is also increasing, although China has seen a huge progress in poverty reduction and economic development the last decades. The fact that people wanting to investigate and address the oppression will put themselves at risk, is further complicating the situation and progress. The lack of protection against discrimination is a serious problem in the Chinese society, and it may be hard to trust reports and sources of information having in mind that Chinese governments want to cover up the continuous oppression.</p> <p>India has significant social inequalities, a caste system which still is effective in large parts of the country and discrimination of sex, religion, sexual orientation etc. Previous ILO study reported female discrimination and a gender pay gap of almost 40%. Migrants receive about 20% less than local workers. According to HRW Dalits and Adivasis continued to face widespread abuses. According to official statistics released in September, more than 50,000 crimes against members of Scheduled Castes and 8,272 crimes against Scheduled Tribes were reported in 2020. Dalit and Adivasi women faced sexual violence by men from dominant classes. Many also faced discrimination in accessing public services. According to report from Business &amp; Human rights resource center in 2022 Gender-based violence and harassment (GBVH) has been well documented in fashion supply chains in India for decades, and issue remains. In 2022 religious freedom conditions in India continued their negative trajectory. The BJP government, led by Narendra Modi, promotes Hindu nationalist policies resulting in systematic, ongoing, and egregious violations of religious freedom. They adopted laws and policies that discriminated against religious minorities, especially Muslims.</p>
<p><b>Mål i rapporteringsåret :</b></p>	<p>No discrimination in our supply chain. 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.</p>



#### Utførte tiltak og begrunnelse :

During 2021 & 2022 we have attended a number of webinars related to discrimination. We have discussed the situation in India with IDSN (International Dalit Solidarity Network) to help us deal with them and make preventive measures. This is an on-going project that will continue in the coming years.

Similarly, we want to involve with Amnesty International to have their advice and guidance on how to approach the issues in China. Chinese Governments' use of censorship will make this work complicated which is why we must apply a wider range of efforts.

We regularly communicate to all business partners and stakeholders that we have a zero-tolerance policy on discrimination. Nobody should be discriminated based on their ethnical background, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Based on our experience and investigation we have not seen any cases of discrimination in our supply chain, but we are very well aware that these violations may be challenging to detect. We have continued to raise awareness among our suppliers regarding discrimination, and in the case of China we saw the need to adapt a separate Policy for XUAR. This has been shared with all Chinese suppliers and is publicly available at our web page. We have had dialogue with the Norwegian Uyghur Committee to have their perspectives and insight.

For orders placed during 2022 we have demanded that all cotton shall be sourced from outside of China. This will reduce the risk that our supply chain can in some way be connected to discrimination, forced labour or inhumane treatment. This requirement will be maintained as long as China do not address the serious case of human rights violations in their country.

#### Mål og aktiviteter for kommende rapporteringsår :

Engage with Amnesty International to receive guidance for how to address discrimination in China and India. Discuss risks and possible approaches with stakeholders with different perspectives. Carry on our requirement for cotton origin. Continue to remind our suppliers that discrimination in any form is not accepted in our supply chain, and provide suppliers with information and tools how to fight and work on this topic.

<p><b>Prioritert negativ påvirkning/skade</b></p>	<p><b>Water Usage Cotton industry: Mainly related to business in India, but also related to China</b></p>
<p><b>Overordnet mål :</b></p>	<p>Take concrete actions to reduce water usage in our supply chain.</p>
<p><b>Status :</b></p>	<p>According to a report by Unicef published in 2021, China has a “high or extremely high water vulnerability”. The manufacturing process of rubber products pollutes drinking water, irrigation soil, air and in general the environment.</p> <p>To be able to address our risk of water vulnerability we must start more detailed investigation of our company’s water usage. Then we can determine which measures can be taken and how to prioritize further in addition to the efforts that we have already made. For example, we must address wastewater management at a higher number of our suppliers. We must continue to reduce the use of chemicals where this is possible. Certificates such as ISO14001 can for example be used to make sure factories have an effective environmental management.</p>
<p><b>Mål i rapporteringsåret :</b></p>	<p>Take concrete actions to reduce water usage in our supply chain. Explain our goals with suppliers and source knowledge at NGO`s on how to reduce water usage for our cotton garments. Increase internal knowledge of water usage in our production chain is the first but essential step. Choosing GOTS-certified cotton will require processing units to demonstrate environment management, including wastewater treatment.</p>

**Utførte tiltak og begrunnelse :**

The majority of our cotton has been GOTS-certified, and we have proceeded with these certifications. Our dyeing of cotton happens in a closed loop system to reduce water usage and wastewater in best possible way. We have eliminated printing techniques that does not comply with standards for regulated water usage. All of our prints are GOTS-certified as well.

**Mål og aktiviteter for kommende rapporteringsår :**

Start to investigate how to track and measure water management in our supply chain.

<b>Prioritert negativ påvirkning/skade</b>	<b>Hazard chemical use in in our complete supply chain</b>
<b>Overordnet mål :</b>	No occurrence of prohibited chemicals in our products. Occurrence of chemicals with restrictions must be within current, updated & strict limit values. Reduce and avoid use of hazard chemicals in our supply chain as far as we possibly can. Guide suppliers with available information how to substitute hazard chemicals.
<b>Status :</b>	It is estimated that textile dyeing and treatment contribute to up to 20% of the global industrial water pollution. Hazard chemicals will in end be released to soil and ground water, fresh water sources or at sea, and put millions of people at risks. All our suppliers have been given instructions and guidance for chemical use customized for their production. Furthermore 100% of our suppliers have accepted and signed our Chemical Agreement.
<b>Mål i rapporteringsåret :</b>	No occurrence of prohibited chemicals in our products. Occurrence of chemicals with restrictions must be within current and updated limit values. Reduce and avoid use of hazard chemicals in our supply chain.

**Utførte tiltak og begrunnelse :**

We have sent out updated chemical guidance to all suppliers two times during 2022. Relevant employees have attended courses and webinars targeting chemical use and updates within the industry. Random tests have been made on selected materials and samples from nominated suppliers. We have communicated our commitment to the initiative “No to PFAS” driven by Chemsec to educate and engage consumers about the forever chemicals.

**Mål og aktiviteter for kommende rapporteringsår :**

We will proceed with our routines for updating chemical requirements and restrictions towards our suppliers. Updated Chemical guidance and X-lists will be sent out to all suppliers two times during 2023. We will attend courses and webinars targeting chemical use and updates within the industry. We will continue to make random tests on selected materials and samples from nominated suppliers. Through our commitment to the initiative “No to PFAS” driven by Chemsec, we will continue to push for a complete ban of the forever chemicals. We will have meetings with stakeholders how to address salient issues in regards to chemicals to our suppliers, and continue to work targeted on how to reduce chemical use even further in our supply chain.

<p><b>Prioritert negativ påvirkning/skade</b></p>	<p><b>Environmental issues</b></p>
<p><b>Overordnet mål :</b></p>	<p>Make sure that environmental concern is integrated in our entire work process and supply chain. Proceed with concrete actions to improve.</p>
<p><b>Status :</b></p>	<p>There are many environmental issues in the countries we produce in. Air pollution, water pollution, garbage generation, domestically prohibited goods and pollution of the natural environment are all challenges linked to the textile industry. These mentioned issues are top priorities in pushing for a more sustainable industry and to meet the targets of the UN Sustainable Development Goals.</p> <p>One of the most salient risk related to production of rubber &amp; viscose is deforestation. As deforestation is one of the number one contributor to climate change, we must take action to make sure that our products that are linked to this risk is sustainably sourced.</p> <p>According to MVO Nederland’s CSR risk check for 2023 the number of rubber plantations have increased by more than 50% since year 2000 and play a significant role in deforestation. Furthermore, some of the pesticides widely used in this kind of agriculture has negative effect on species as bees, insects and other plants. The biodiversity in China is highly threatened and China tops the world lists of deaths caused by excessive air pollution with over 1 million deaths annually.</p> <p>We are witnessing a vast increase in demands for climate &amp; environmental improvements in our parts of the world. In addition, the requirements for (environmental) certifications of raw materials and recycled materials continue to increase. When implementing these targets into our supply chain within relative few years, we must also understand and respect that risk of corruption and/or incorrect certifications may increase as well.</p>
<p><b>Mål i rapporteringsåret :</b></p>	<p>Make sure that environmental concern is integrated in our entire work process and supply chain. Proceed with concrete actions to improve.</p>

#### Utførte tiltak og begrunnelse :

We have discussed the need for sustainable progress more frequently with our suppliers. We have increased the amount of certified products which set requirements for the entire production chain. We have increased the amount of recycled materials. We have requested concrete plans from suppliers with their targets for local sustainable progress. We have engaged our shipping agent to gain insight in our GHG emissions from domestic and international freight.

Our updated order terms have required suppliers to work targeted with environmental and sustainable developments at their production plants and factories. This has been followed up in various ways. Some of our suppliers has now installed solar power at their factories which ensures that higher amount of our production is based on energy from renewable sources. Closed water systems and recycled plastic for packing are other improvements that have been made by suppliers. We will continue to follow up and map energy sources in our supply chain, and further encourage increase of renewable energy investments when possible.

We have during 2022 worked on new requirements for upcoming hang tags. These will be FSC-certified, without coating and 100% recyclable.

Updated chemical guidance and limit values has been sent to all suppliers two times during 2022.

Random samples from selected suppliers have been sent for testing.

#### Mål og aktiviteter for kommende rapporteringsår :

Find suitable certification for products made by rubber and viscose.

Implement software to track scope 1 & 2 GHG emissions

Join "Science Based targets" and commit to reduction targets in line with SBTi`s criteria

<p><b>Prioritert negativ påvirkning/skade</b></p>	<p><b>Corruption</b></p>
<p><b>Overordnet mål :</b></p>	<p>No corruption in our supply chain. Transparent and sustainable business practice. 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 Sustainable Development Goals</p>
<p><b>Status :</b></p>	<p>Corruption undermines governments' ability to protect people and erodes public trust, provoking more and harder to control security threats. On the other hand, conflict creates opportunities for corruption and subverts governments' efforts to stop it.</p> <p>Corruption in our supply chain is not tolerated at any level and this is clearly stated in our CoC. We acknowledged that the risk of corruption is high when dealing with countries that score poorly when it comes to transparency.</p> <p>India is considered the largest democracy in the world and holds steady on the CPI, but the government continues to consolidate power and limit the public's ability to respond According to the Corruption Perceptions Index, the corruption score of India of 2022 is 40p and the country is ranked as number #85/180. The score has remained the same since 2020. This means that the risk of corruption in India is high, and according to the CPI report the case of India is particularly worrying.</p> <p>As examples which interferes us, audits are commissioned and paid for by the manufacturers in order to achieve better results/score. Furthermore, GOTS have uncovered fraud that "ordinary" cotton has been certified as GOTS certified cotton.</p> <p>While anti-government protests were not uncommon in Sri Lanka before 2022, they gathered significant momentum during the country's ever-worsening economic situation. CPI has decreased over last 2 years and rank Sri Lanka as number #101/180 countries with 36p, same as Turkey. Corruption may occur regularly in Turkey in governmental organizations and business partners, for instance paying bribes, reducing import charges or falsifying official documents. As Sri Lanka, Turkey have 36p and is ranked #101/180 countries. Turkey is down 2p from recent report, and have decreased every year for the last 10 years. The risk of corruption in Turkey is high!</p> <p>According to the Corruption Perceptions Index, the corruption score of China from 2022 was 45. The score has increased every year since 2015 but risk of corruption in China is still high.</p> <p>During the last two years we have increased the number of recycled</p>



	<p>materials in our products from China. Similar to the case of GOTS in India, there is a risk of fraud and corruption related to certified recycled materials. Increased transparency is among the most effective efforts to avoid corruption which is why we continue to gain as much info as possible about all suppliers and their supply chain. According to «Transparency International» Covid19 is not just a health and economic crisis, but also a corruption crisis. Democratic backslide and undermining health care system is among the great challenges in countries with high level of corruption risk. We have always considered corruption as one of our most important salient risks as we believe this can be a 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.</p>
<p><b>Mål i rapporteringsåret :</b></p>	<p>Take concrete actions to reduce the risk of corruption in our supply chain. Emphasize and focus on transparent and sustainable business practice. Continue to contribute and develop a culture of integrity among our suppliers to avoid corruption in all forms. Collect Transaction Certificates for GOTS, RWS, GRS &amp; OCS.</p>

**Utførte tiltak og begrunnelse :**

Our focus on long term business with suppliers is an important foundation for how we work at Blåbær Production. During 2022 we have not brought in any new suppliers in our portfolio. We believe that this is one important way of building trust and equal partnership which again enables more transparency. During 2022 we have done an new internal and updated review of our company Policy to make sure that all points are 100% clear to all employees. Our policy has not been revised this same year, but a reminder and clarification of selected points has been sent out to all first-tier suppliers. Corruption was one of the points that were pointed out as we want to raise an increased awareness of this to all our business partners. Collecting and checking transaction certificates has been done regularly.

**Mål og aktiviteter for kommende rapporteringsår :**

Make sure that all suppliers hold a company Policy which is clear on zero-tolerance for corruption. Collect and check transaction certificates regularly and double check these with certification bodies. Do background checks of audit companies doing third-party audits.

## Andre tiltak for å håndtere negativ påvirkning/skade:

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

### 3.B.1 Reduksjon av natur- og miljøpåvirkning

In order to cease, prevent or mitigate negative impacts, including in the supply chain Barnas Hus has implemented several measures. Overall we work continuously both to improve the impact we have on our suppliers in the Asian markets and to survey our external suppliers. Until 2022, the main effort has been placed on Reflex while this brand represents more than 30% of our turnover and the most salient risk is related to this brand as it is produced in Asia. Our main measures are described above under 3.A.1. We work continuously to implement the same level of measures to our other privat label, Yngri which represents another 13% of our turnover. Barnas Hus moved to more energy efficient offices in 2022.

Reflex/Blåbær Production AS:

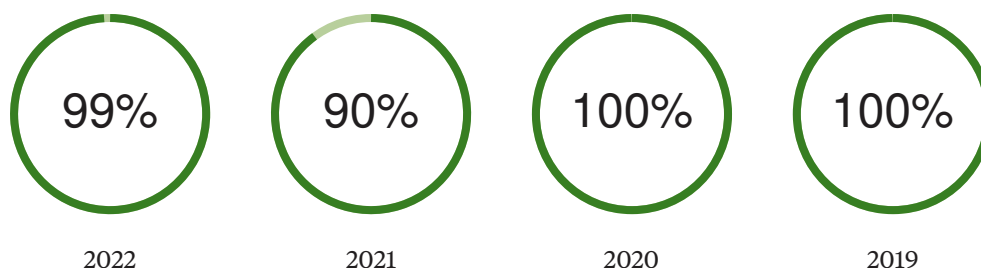
- Almost 100% sea transport during 2022. Delivery by truck/road measured less than 1% in same period. Deliveries by air have not been used for bulk deliveries during recent years.
- We have tested out and used LNG over MDO for some of our container transports. Reduction of CO<sub>2</sub>-eq is -27% (WTW). Reduction of Sox/NO<sub>x</sub> (WTW) is -98%/-80%
- Chemical guidance and regulations are frequently sent out to suppliers. We have chosen to set strict limit values for chemicals. Random tests by third party are required.
- Increased use of recycled materials: polyester made from PET bottles and polyamide from post-consumer textiles.
- Increased use of certified products and materials.

Yngri:

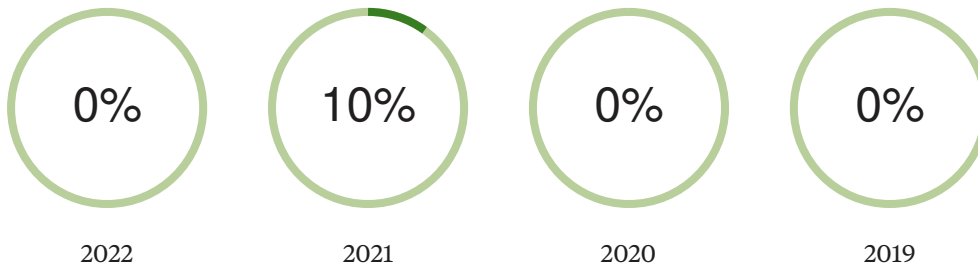
- \* All bulk deliveries for Yngri are scheduled and planned for sea transportation. Deliveries by air have not been used for bulk deliveries during recent year.
- \* We have decreased the amount of plastic in packaging materials and replaced product manuals in all products with QR code for products arriving 2022.
- \* We have changed white boxes and stickers to brown boxes during 2022.
- \* We have changed our way of placing orders against suppliers, we increase the lead time by 3-4 months to total 8-10 months to let the supplier plan the production and reduce overtime.

## Indikator

### Sea transport Reflex

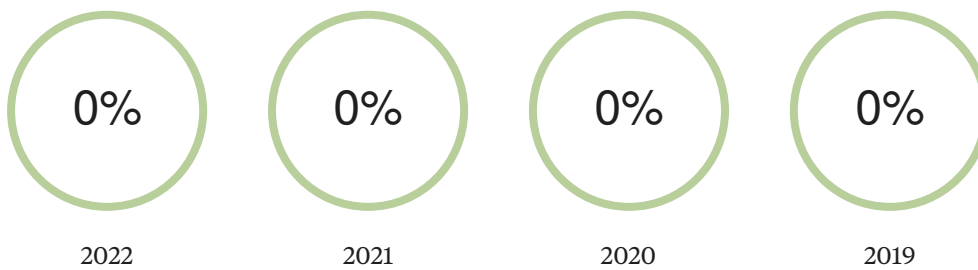


### Rail transport Reflex



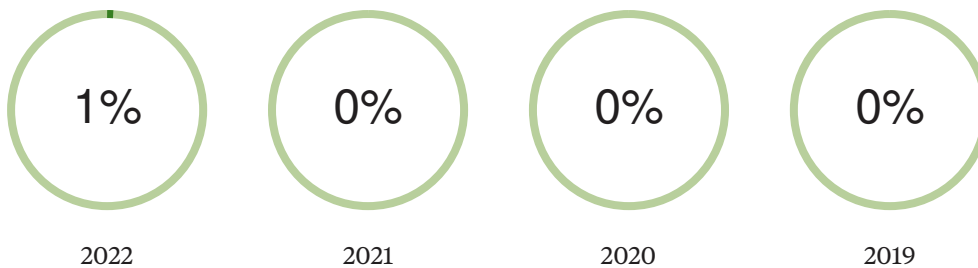
Reflex/Blåbær Production AS: Rail transport not used during 2022

### Air transport Reflex

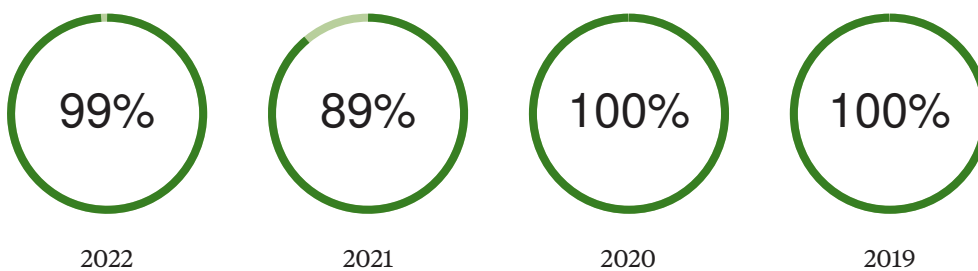


Reflex/Blåbær Production AS: We experienced smaller bulk delivery by air during summer 2020 as one of our main suppliers had delay due to pandemic related issues. Supplier decided to ship balance by air. Both qty & value of this shipment represented less than 0,1% of totals.

### Road/Truck transport Reflex

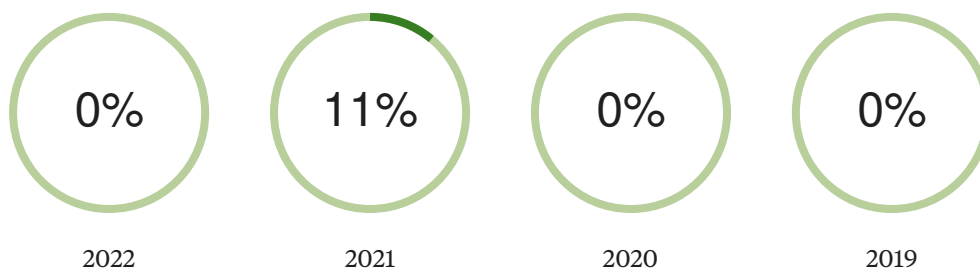


### Sea transport Yngri



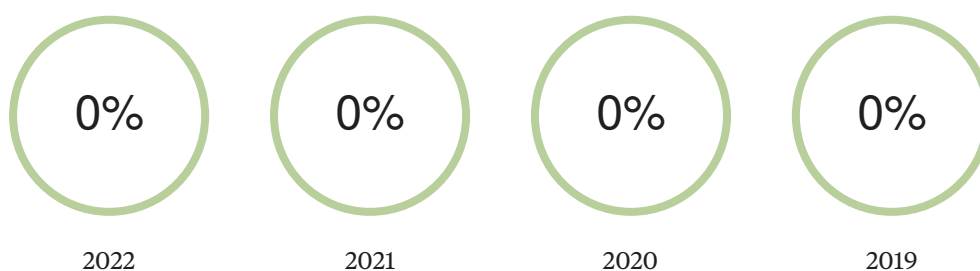
Due to the war transportation by rail have not been an option and we have transported almost all volume by sea.

### Rail transport Yngri



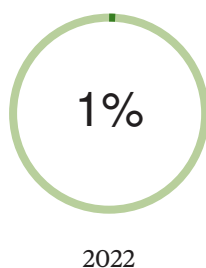
Due to the war transportation by rail have not been an option.

### Air transport Yngri



No bulk shipments by air.

### Road/Truck transport Yngri



Truck transport from Poland/Turkey

### 3.B.2 Reduksjon av klimagasutslipp

As part of our Environmental Lighthouse certification, we moved to new and more environmentally friendly and energy-saving offices in 2022. We have started work on collecting data for an environmental account so that we can measure the effect going forward. Electric cars are the only approved company cars. It is used as far as possible for visits to our stores. We use Bring for shipping companies and challenge them to come up with the most environmentally friendly alternatives possible. This is now one of the most important criteria when choosing a logistics partner. The measures with most important impact for Barnas Hus are the initiatives implemented in relation to Reflex and Yngre. These are:

Reflex/Blåbær Production as: We have started training and preparations for calculating our company's emissions. This includes calculations internally but also require us to collect data from our collaborators and business partners.

We have already engaged with Collicare & TNT and collected data for or transportation emissions. Our logistic collaborator Collicare are tracking sustainable developments continuously to make sure that we will be able to reduce our emissions through transport continuously in the following months. We will receive needed

measurements and calculations from them to be able to track our improvements.

We have furthermore had meeting with companies offering software for a general carbon accounting. During first quarter of 2023 we will decide what tool we want to proceed with.

Yngri: We receive carbon emission reports from our sea freight transporter 2 times/year – this reports gives us information about greenhouse gas emissions in detail. 2022 was the first year we received, checked and discussed with our sea freight partner how we can work with reducing greenhouse gas emissions. We have been presented with several different options that we are considering starting with in the present.

Regarding production, this is a bit more complicated for us since we are working with many different products and categories – in Q1 2023 we will start this work with our agent Calsun in China. Our plan is to start with 10 most selling products and measure the greenhouse gas emissions in detail – this will give us a benchmark for next year.

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### 3.B.3 Tilpasning av egen innkjøpspraksis (sourcing)

Promoting decent working conditions and environmental practices in our supply chain is an important part of our strategy to act in a socially responsible manner. In order to achieve this, we need the support of our suppliers and business partners. Every supplier to Barnas Hus has to sign a cooperation contract. This includes our Code of Conduct and Minimum Requirements. This shall ensure that our external suppliers follow the same guidelines and work according to the same values as us when it comes to socially responsible business. Approx. 50% of our business is textile and most of this is produced in Asia. To facilitate predictable orders to these producers we place our orders to our external textile suppliers 6 to 12 month before delivery. This helps them to work predictably towards their suppliers. We do not negotiate too hard on the prices they offer or change the orders at the last minute as this behavior will make it more difficult for them to take care of their social responsibility.

Increasing our own brand portfolio is an important measure for increasing our control and impact on the supply chain. For our own brands we have implemented the following:

Reflex/Blåbær Production as:

Early order placement has now been integrated in our purchasing practices for several years. This has been positively received by our suppliers as it enables better planning and reduction of high peaks in production times.

In addition to the many advantages early order placement will have for our suppliers and their production planning, this effort will reduce risk of excessive overtime, unauthorized subcontracting and irresponsible sourcing.

We strive for an ongoing communication with our suppliers to enable forecasting and production planning. If we, for some reasons, are not able to send the formal purchase order sheet as early as we have planned for, we confirm the order volume/quantity to suppliers to enable them to source and purchase their materials as early as possible.

Fair payment terms and on-time payments has had an increased focus during the last years. During 2022 we have however experienced some challenges when our main customer have in some cases asked for postponed payment dates. This might be very problematic in cases where suppliers have costs or expenses relying on on-time payments from their customers and partners.

Predictability and stability in our orders is also important to us. If we place an order, we will never cancel or withdraw it.

To be able to measure and track how our purchasing practice is experienced by our partners, we actively request feedback from our suppliers. We encourage suppliers to have an ongoing dialogue with us to make sure we can adapt and improve on our side. In addition, we regularly send out questionnaires to all first-tier suppliers to map our purchasing practices. As the previous mapping was done in the beginning of 2021 we decided to do a new and updated mapping in July 2022. 100% of first tier suppliers were asked to give their feedback and 94% of them gave us their feedback.

We aim for as many direct relationships with our suppliers as possible. Using agents and intermediates makes communication less efficient and might also reduce the traceability and control. In cases where we work through an agent, we require the agent to do regular and comprehensive follow-up to make sure we will have as much insight and control as possible.

Yngri:

During 2022 we have been working with a long-term sales plan and we placed orders according to this. This to secure orders, production and just in time deliveries. When sourcing new products, we always check with existing suppliers first, this because we want to build long-term relationships.

During 2021 we did evaluate possibilities of moving parts of our production to Europe and due to travel restrictions, this was something we first could do in the spring/summer of 2022 – we have visited several suppliers within different categories and we also visited fairs in order to source European manufacturers. This project is ongoing, and we have already moved some production to EU. This will be further examined and evaluated.

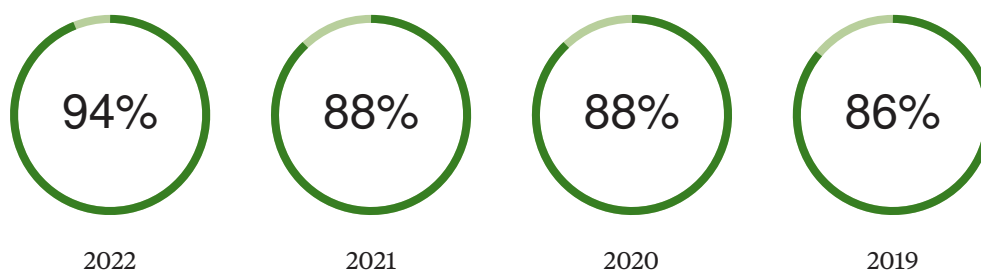
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## Indikator

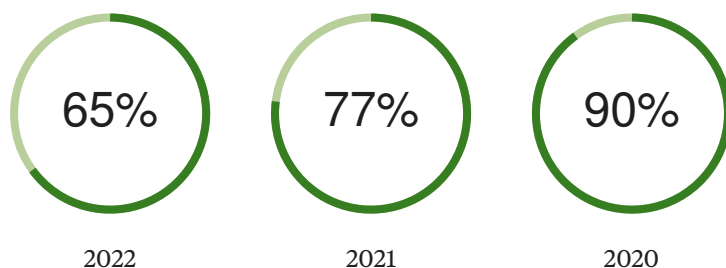
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**Percentage of Reflex suppliers with whom the company has had a business relationship for 3 years or more**



**Percentage of Yngri suppliers with whom the company has had a business relationship for more than 3 years**



10 new suppliers during 2022, this because we moved some production to EU. Also moved some production within China.

**3.B.4 Valg av produkter og sertifiseringer**

Barnas Hus pushes our external suppliers to increase their focus on certifications. We do this by encouraging them to focus on certifications and by requiring an overview over products with certifications every year. We work in an industry where safety and social responsibility are important values so this is in line with their own thinking even though the progress is slower than we wish.

When it comes to our own brands where we can control the development we have implemented several initiatives:

Reflex/Blåbær Production as:

During 2022 we have continued to prioritize certifications such as Oeko-tex, GOTS, OCS, RDS (Responsible Down Standard), RWS (Responsible Wool Standard), ZQ & GRS (Global Recycled Standard)

This year we have additionally chosen to implement FSC-certification of our hangtags. This certification ensures that products come from responsible managed forests that provide social and environmental benefits. As we are working to increase our focus and circularity, it is important to us to make sure that our products' hangtags are 100% recyclable.

We still believe that certified materials & products are important tools to set concrete requirements and standards for our production as well as increase transparency in the supply chain. However, it is also important to us to be critical and careful concerning the risk of corruption and document forgery.

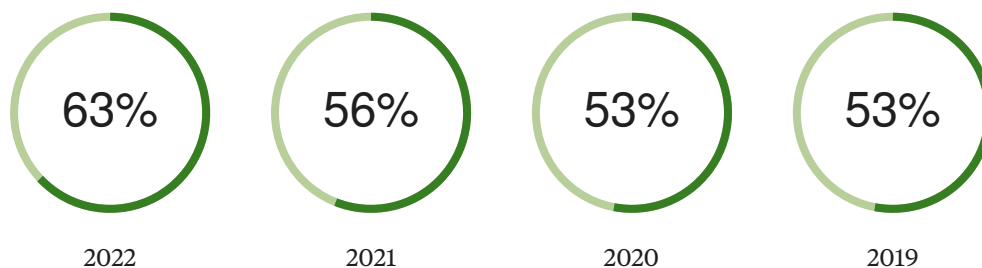
Yngri:

During 2021 we did set short- and long-term goals for each of our categories in the Yngri brand. Yngri is a brand within many different categories, some of our products have no industry certification, even though we have set goals for these items as well. 90% of all new textile products developed in 2021 have Oeko-tex certification.

During 2022 all new textile products developed have Oeko-tex certification.

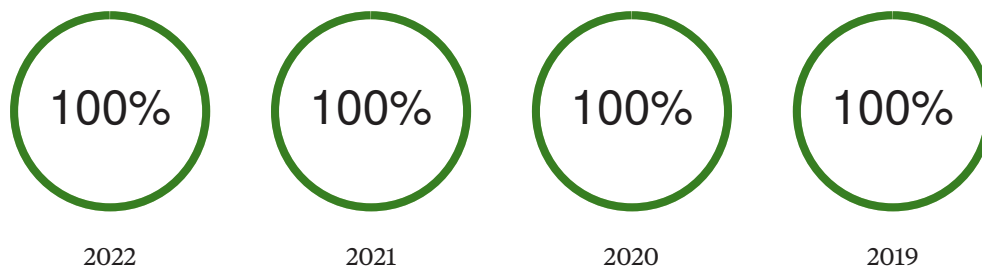
## INDIKATOR

### Reflex: Percentage items certified with OEKOTEX 100



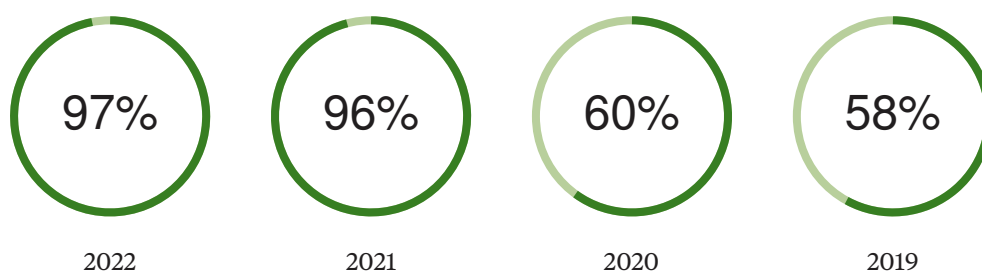
Reflex/Blåbær Production as: Percentage of OEKOTEX 100 labelled and certified items (by number) out of total qty Reflex garments. Several of our suppliers who are not OEKOETEX certified, use only OEKOTEX certified materials according to our specifications. A total of 79% (by number) of 2022 garments are either certified garments, or 100% made by OEKOTEX certified materials. (percentage increased from 71% in 2021)

### Reflex: Percentage down garments with RDS certified down



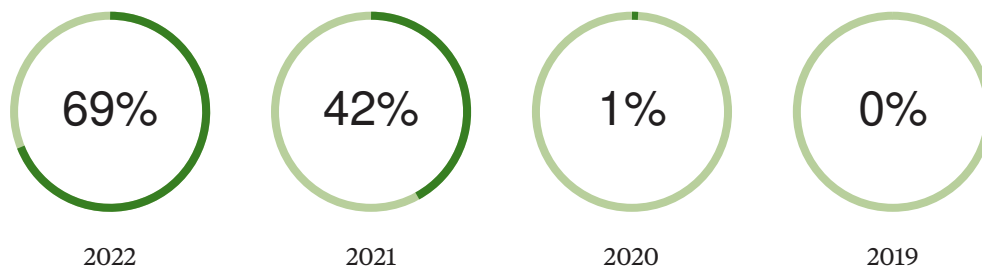
Reflex/Blåbær Production as: Percentage garments which content RDS down (by number) out of total qty containing down.

### Reflex: Percentage cotton garments made with certified organic cotton



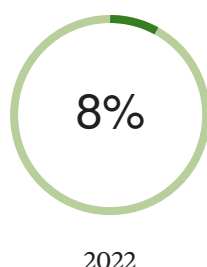
Reflex/Blåbær Production as: Percentage cotton garments with composition of minimum 50% cotton made by certified Organic cotton (by number). Applies GOTS and OCS 100 certification.

**Reflex: Percentage of garments (by number) made by synthetic materials which have at least 65% certified recycled materials.**



Reflex/Blåbær Production as: Garments included are Technical outerwear, PU rainwear, fleece midlayer, polyester baselayer and swim wear. All certified recycled materials are post-consumer garments.

**Yngri: Percentage items certified with OEKOTEX 100**



Yngri brand contains most hardware products.

### **3.B.5 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**

Worker representation is important for Barnas Hus. So far we have prioritized our own brands.

Reflex/Blåbær Production as:

One of our minimum requirements for suppliers is that worker`s representation must be established and functional at all plants. A worker representative shall be freely elected by workers, and we advise suppliers to encourage workers of all ages, gender, ethnical background, and all positions in the company, to set for election. There shall be 1 representative per 50 workers as minimum. Worker`s Representative shall have full access to carry out their representative functions in the workplace to enable best possible communication and co-operation between workers and management.

This is particularly important in countries and areas where independent trade unions are not legal which is the case in China. Working with China we aim to communicate good practices, require ongoing improvements and enable ongoing dialogue.

During our membership in Amfori we hope to implement a system for grievance mechanism in our supply chain which will enable anonymous feedback from workers regarding complains, potential conflicts or violations. This project is still under preparation, but is planned to be introduced during 2023.

Yngri:

During 2022 we started to with an overview and started to mapp each supplier – during 2020-2022 where travels and factory visits where not possible due to Covid 19 we started with few of our biggest suppliers. BSCI/AMFORI audit reports have helped us to get an overview – which also have been a topic during discussions with suppliers during online meetings.

There is a challenge for us to build un understanding from the suppliers why this is important for us, follow-up have also been hard without physical meetings. In some cases, we see that workers representation is just on paper but they can´t affect anything.

Excerpt from a factory:

“It was noted that the factory did not establish or participate in an effective grievance mechanism for its external stakeholders.

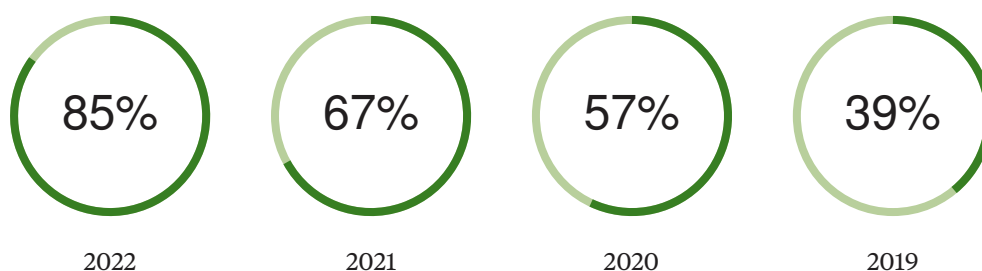
This violated BSCI 2.5. The factory’s external stakeholders may not have an approach to raise their grievance. According to

document review, the auditee had a written procedure for the grievance mechanism, but external stakeholders were not involved in the mechanism“

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## Indikator

### Percentage of Reflex suppliers with worker representation other than trade union

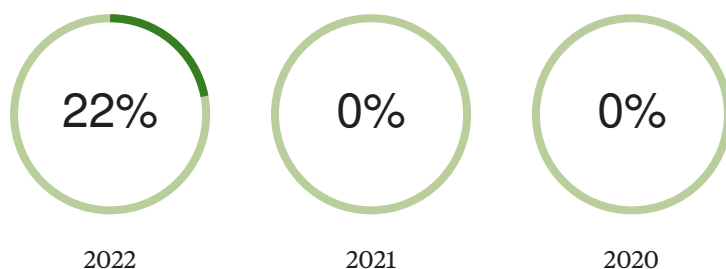


Reflex/Blåbær Production as:

Percentage of Workers committee`s continue to increase. There is though important follow-up work to do to ensure these committee`s are well-functioning.

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### Andel leverandører med annen arbeiderrepresentasjon enn fagforening



Yngri:

We had a goal to have an overview during 2021/2022 due to the Covid situation we have we have started with the biggest suppliers in order for us to see how the workers representation/committees are involved at these suppliers – something that has taken us long time and we are taking this step by step and are mapping all information by supplier and product.

Example comment from one of these suppliers BSCI audit reports:

“The factory had established long-term goals for protecting workers in line with the aspirations of the BSCI Code of Conduct. However, workers and worker representatives were not involved when defining these goals. This violated BSCI 2.2”.

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### 3.B.6 Bidrag til utvikling, kompetanseheving og opplæring internt og av leverandører og arbeidere i leverandørkjeden

Reflex/Blåbær Production as:

Chemical guidance through our membership in Kemikaliegruppen RISE is sent out to all suppliers two times a year. General discussions and follow-up on these topics, and advice on how to substitute chemicals to be in

compliance with future restrictions at early stage is done on-going. Resources, guidelines, and close follow-up to support our suppliers to establish functional Worker Representation/Workers' Committee have been sent out and will be followed up within next few months. We constantly communicate with suppliers to focus on sustainability and certifications in order to achieve improved competitiveness. Step by step we see improvements on how they take action, make suggestions and share valuable information to help us all improve.

During 2022 we joined the network Amfori. Our goals with this membership was to integrate a system and tools to have better control and overview of our supply chain, as well as to work more systematically for improvements together with our suppliers. Amfori Academy holds courses on a wide range of topics that can be offered to our suppliers in their local languages. During 2023 we will select some of these e-learnings that will be introduced to a number of first tier suppliers.

Yngri:

We have shared our strategic plan for the brand to our agent and we communicate, educate and taking step by step to improve and reach our goals during 2023 – during 2022 we also shared our action plan with our agent. By sharing our action plan, we have made them more involved.

Focus in 2023 will be audits and sending "questionnaire for assessing suppliers" to all our existing supplier in order to receive and view data on how we can improve workers in the supply chain.

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## Indikator

### Number of suppliers who have received updated Chemical Guidance and customized follow-up



Guidance of restricted chemicals incl max limits made easy to follow for each supplier.

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### 3.B.7 Bekjempelse av korrupsjon og bestiktelser i egen virksomhet og leverandørkjeden

Barnas Hus has implemented our own Code of Conduct, both internally and to our suppliers. The requirements for our own business are communicated at our homepage <https://www.barnashus.no/policy-for-baerekraftig-forretningspraksis>. Our suppliers and partners can expect from Barnas Hus AS that our purchasing practices strengthen, and do not undermined, their opportunity to deliver on our requirements related to people, society and the environment. Barnas Hus AS always seeks collaboration in order to achieve responsible business conduct. However, we will end business relationships or other forms of collaboration if our supplier or partner does not meet our expectations for responsible business conduct.

Requirements – conditions in the supply chain

We expect our suppliers and partners to work focused and systematically to comply with our Guidelines for Suppliers, hereunder our Code of Conduct, that covers fundamental requirements on human rights, labour rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

- Follow our guidelines for suppliers, hereunder the code of conduct
- Conduct 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 remedy.

- Show willingness and ability to continuous improvement for people, society and the environment through collaboration
- At the request of Barnas Hus AS be able to document how they, and potential subcontractors, work to comply with the guidelines
- If the supplier, after several requests by Barnas Hus AS does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled
- Have a system in place to manage complaints related to human rights, labour rights, the environment and corruption
- Avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

For our own brands:

Blåbær Production has a zero tolerance for corruption and bribery. This is clearly stated in our Policy for own business as well as our Guidelines for suppliers. When employing a new person to our team in the end of 2022 we did a new review of our policy and guidelines for suppliers to make sure that all points were clear. Anti-corruption was one of the topics that were highlighted.

Related to Yngri, we have sent out our updated policy and CoC to all suppliers, they have signed and accepted. In these documents we have specified following «. Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.»

We do not accept any gifts of any kind from any suppliers, and we expect them to do the same – however this is very hard for us to check and follow-up. We have not met our suppliers in China for 3 years due to the pandemic and we know that corruption is common in China.



### **3.B.8 Annen relevant informasjon for hvordan dere arbeider med å redusere, forhindre og håndtere negativ innvirkning på mennesker, samfunn og miljø**

Further information about our work with own brands:

Reflex/Blåbær Production as:

Business travels: The pandemic and following travel restrictions has affected our mindset and awareness when it comes to business travels. We always look at the possibility to attend meetings and webinar online to avoid unnecessary emissions from transport and travelling. In those cases where we have to attend courses or go to meetings physically, we always strive to travel as environmentally friendly as possible. This has become our new standard, and will continue, even as the world opens for more travel activity. The pandemic situation has in other words given us experiences and insights regarding travel policy as well as travel frequency. Digital alternatives have indeed proven to be good for some purposes.

Samples: During the last years we have worked to reduce the number of samples in our design- and product development processes. To save resources, material use and reduce emissions from freight, fewer samples throughout the whole process is one concrete measure that has been integrated in our working process. This has for example required acceptance from our customer to approve designs and developments based on sketches & pictures which can sometimes be risky and challenging.

However, our focus on long-term relationship and mutual trust with customers and suppliers have helped us move in a positive direction that will be taken further.

Working with design and product development, there will however be necessary with a certain amount of samples to make sure that quality, measurements, materials and other details are correct. After each production cycle we collect all samples and donate them to SAS juleflyet. This is a charity initiative that helps disadvantaged children in eastern Europe.

Yngri:

All samples received are sent to kindergartens or given organizations that helps children in need.

During the year there have been more prices increases than normal, we have accepted them all and supported with deposit payment where we normally don't need to. The lack of raw materials did create some delays and we have accepted them all – even though when some suppliers wanted to ship earlier. We also sent action plan early this year our agent and we have been working close with them to reach our goals.



## 4

# Overvåking av gjennomføring og resultater

Overvåking av gjennomføring og resultater handler om å måle effekten av systematikken og eget arbeid i hvert trinn i aktsomhetsvurderingene, og viser hvorvidt virksomheten gjør gode aktsomhetsvurderinger. Virksomheten må ha systematikk og rutiner på plass for å kunne fange opp og kritisk vurdere egne konklusjoner, prioriteringer og tiltak som er gjort som en del av aktsomhetsvurderinger. Eksempelvis: 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/eller 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. Erfaringene virksomheten gjør seg med arbeidet med aktsomhetsvurderinger brukes for å forbedre prosesser og resultater i fremtiden.



## 4.A Overvåkning og evaluering

### 4.A.1 Beskriv hvem som har ansvar for å overvåke effekten av tiltak iverksatt for å håndtere virksomhetens vesentlige risiko for skade/negativ påvirkning på mennesker, samfunn og miljø, og hvordan overvåkningen gjennomføres i praksis

The CEO is responsible for the business practices related to sustainability, human rights and the workers' rights 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. In addition, the category dept. where all the purchases are carried out, is responsible for following up and implement the company's guidelines and strategy.

The operative work of following up our suppliers is done by a team consisting of two representatives from Blåbær Production, two representatives from Yngri and the category director. The Category Director follow up the external suppliers. Focus is on communicate Barnas Hus values through the cooperation contract and in business reviews. Measures are e.g increase the number of signed our Code of Conduct, or increasing the number who sign a new cooperation agreement. The goal is 100% compliance with the Code of Conduct and to get half of the suppliers on board with the new cooperation agreement in 2023.

Reflex/Blåbær Production as:

In recent years we have worked targeted 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 are based on findings and experiences from our risk assessment. Responsibility must be integrated in daily work for all our employees.

- Already in early design- and development process we plan and specify use of same materials and colors in a wide range of products to reduce negative impact from dyeing and other production processes.
- We have introduced a small range of products from left-over stock fabrics and will continue to do so in coming seasons. This will reduce fabric waste and hopefully will show both manufacturers and consumers the importance of utilization.
- Supplier overview: In the past year, information and updates from suppliers have been collected and organized internally in documents and folders for each supplier. As the amount of certifications, audits etc have increased notably, we have seen the need for a better and organized tool. As we planned for during 2021, we have this year joined the sustainable community Amfori to improve our system to gain a better overview of our suppliers. This community offers a framework called BSCI (Business Social Compliance Initiative) which targets social performances in the supply chain. Furthermore, Amfori has recently introduced BEPI (Business Environmental Performance Initiative) which is committed to improve environmental performance in supplying factories and farms worldwide. Through Amfori's sustainability platform we have now linked with all our first-tier suppliers. During the coming year we will integrate this tool in our daily due diligence work, targeting social and environmental performances.
- Factory visits: During 2022, the government in China have passed on and continued their strict strategy and policy regarding prevention of the spread of COVID19. Due to this, we have not conducted any factory visits. Before the breakout of COVID19, supplier visits have however been conducted two times a year. These visits have been important to follow up suppliers and sub-suppliers to make sure that they all comply with our standards for responsible business practice, environment and social compliance. At factory visits, current status is always on the agenda and a supplier visit form is used as a foundation for checking all essential requirements for factory conditions.
- In Blåbær Production we have a set of routines for tracking and implementing results of our sustainability work. These routines are integrated in our daily working processes and in our purchasing routines. The regularly follow-up is done by head of sustainability, while our CEO has the overall responsibility and authority of decision-making. Overall decisions on sustainability work are also discussed in regular meetings including all employees.
- Mapping of our purchasing practices: An updated questionnaire for mapping our purchasing practices has been sent to our suppliers during 2022. The main purpose of this mapping was to gain as much insight as possible and to detect which areas we can improve. This also helps us understand how our suppliers are affected by our work and practice.

The results of the mapping have been shared with our main customer Barnas Hus to show how we should prioritize and move forward to improve collaboration and aiming for an equal partnership with suppliers.

#### Yngri:

When we started the Yngri brand 2018 our vision was that our production in all aspects should be conducted in a way that is economically, socially, and environmentally sustainable - we wanted to take our responsibility to reduce our impact on the world around us and the environment. Sustainable work is steady ongoing work and a process of continuous improvements in many different areas. Main difference today and when we started is that sustainable work is discussed already when discussing ideas of new products or changes of existing and our statement of requirements to our suppliers.

- Supplier overview, In the last year, we have collected information from all suppliers on each product, with material, certifications, subcontractors, audits – this document is revised 2 times/year.
- Factory visits, we have not been able to visit any factories due to travel restrictions to China - our standards for responsible business practice, environment and social compliance have been hard to follow up and we have relied on audits.
- During 2021, we worked on developing a strategy plan that extends until 2023. It contains clear goals and details down on product level on how we will work with sustainability in the coming years – this document is used internal and external as a guideline.

During 2022 we started to send out mapping purchasing practice document to our suppliers.

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

We trust our external suppliers when they confirm that they take this seriously and focus on the most salient part of our business, e.g our own brands.

Reflex/Blåbær Production as:

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.

More or less all 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 is important to make a positive impact in our business. When discussing these issues with other western stakeholders, most of them state that they experience the same. This is an ongoing focus and important for our company's responsibility.

As our demands and expectations to our suppliers and business partners have increased and evolved, we have also seen the need to map how this is experienced by them. Mapping our own purchasing practice has been done by sending out questionnaires requesting honest and constructive feedback. We have asked suppliers to comment on how we can improve and adapt to enable better partnership and stable business relations. Some trends were that early order placement, fair payment terms & predictability were important factors that will help suppliers plan production time & material use, reduce overtime and enable safe and good working conditions. This kind of mapping will be important tool to proceed with in the coming year to learn how we can improve partnership and collaboration with suppliers.

Yngri:

By using our supplier network with which we have had a long collaboration with, we have already developed an understanding of our work and willingness to listen and learn about our focus areas. We have had a long collaboration with our agent Calsun where we through many visits to them and them made several visits to us have given them an understanding of our future goals and we have shared our strategic plan and action plan with them. The aim is for the strategy to contribute to environmentally, socially economically sustainable consumption and improving security for all consumers and when sourcing new suppliers. This with a common understanding from our agent and suppliers is necessary to achieve our goals. Due to pandemic, we have not been able to follow up on site, therefore Calsun team have been visiting our manufactures when possible. We also requested BSCI audit reports from all manufacturers to check if anything deviates from our CoC.

The toy and stroller industry has a long way to go when it comes to environment and sustainability. However, through our presence and cooperation, we work for a will to change the work. Most of western stake holders have the same experience within the toy industry - therefor we avoid plastic toys and only produce wooden toys and outdoors items.



## 5

# Kommunikasjon av hvordan negativ påvirkning/skade er håndtert

Forutsetningen for god ekstern kommunikasjon om arbeidet knyttet til virksomheters aktsomhetsvurderinger for bærekraftig forretningspraksis er at den bygger på konkrete aktiviteter og resultater. Virksomheter skal kommunisere offentlig om relevante styringsdokumentet knyttet til aktsomhetsvurderinger, eksempelvis policyer, retningslinjer, prosesser og aktiviteter knyttet til å identifisere og håndtere bedriftens faktiske og potensielle negative påvirkning på mennesker, samfunn og miljø. Kommunikasjonen bør inkludere hvordan risikoen er avdekket og håndtert, samt hvilke effekter man oppnådde av tiltakene/aktivitetene. Etter åpenhetslovens §4 skal virksomheter som er omfattet årlig offentliggjøre en redegjørelse for aktsomhetsvurderinger.

## 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.

An ongoing dialogue with NGOs is also a natural part of our work. This dialogue will be related to challenges and opportunities in the textile industry in general and our supply chain more specifically. We believe that dialogue between NGO's and companies from the textile industry is constructive for sharing knowledge and experience. While many NGO's have important perspectives and information related to their area of expertise, it is also a fact that buyers, product developers & designers have experiences & insights that are essential to combine with these. We hope that this kind of dialogue will be even more constructive in the future to make sure that consumers get credible and transparent information related to products put to the Norwegian market.

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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) and our website [www.Yngri.no](http://www.Yngri.no)

In addition updated reports are public at [barnashus.no/csr](http://barnashus.no/csr).

Annual reports on ethical trade describe our due dilligence work, salient risks and a link to the final report will also be posted on our csr pages.

In addition we have continously communication with Ethical trade Norway and Miljøfyrtårn.

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### **5.A.3 Beskriv virksomhetens rutine for å ivareta og besvare eksterne henvendelser relatert til informasjonskravet pålagt virksomheter under åpenhetsloven.**

We use Zendesk for efficient processing of customer enquiries. Zendesk is one of the market's best-known help desk systems. It is web-based and focuses on making customer support simple and effective.

Through Zendesk, the inquiries that come in via email, Facebook and Instagram are collected. We have our own customer service department which sorts the inquiries and forwards them to the right people in the company, so that the customers receive qualified answers. We have a goal that everyone involved in customer contact shall check Zendesk for inquiries every morning and afternoon. The number of inquiries varies and this can affect the response time, but time is spent every day on answering inquiries.

Inquiries concerning our own brands goes either directly to Barnas Hus by email og Zendesk or to Blåbær or the Yngri team.

Reflex/Blåbær Production as:

For all goods which we are responsible for the development, production and transportation, Blåbær Production will provide any requested information concerning how we address our possible adverse impacts on fundamental rights and decent working conditions. When receiving a request from a customer or other stakeholder, we will submit a comprehensive reply as soon as possible. If we receive extensive questions that requires details or information that we do not have available, we will within reasonable time collect this information and submit it to the person(s) who has requested it.

Yngri:

Our team have received information and attended webinars regarding the Norwegian Transparency Act. The Yngri team have direct contact with our stores via e-mail and internal work place systems – we receive different kind of questions on regular basis and we provide them with all information they need and want. We also have direct communication with end users/customers, they contact us via our webpage and we provide them with all information they need and want - soon as possible. Our goal is always to reply and give info within 24h.





## 6

### Gjenoppretting der dette er påkrevd

Når en virksomhet har identifisert at den har forårsaket eller bidratt til skade på mennesker eller samfunn, håndteres skaden gjennom å sørge for gjenoppretting, eller samarbeide om gjenoppretting. Gjenoppretting kan innebære økonomisk erstatning eller kompensasjon, en offentlig beklagelse, eller at skaden 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

BH Nordic and Barnas Hus work to have a sustainable business practice that respects people, society, and the environment.

In accordance with that we do due diligence assessment systematically to prevent negative impact to people, society, and environment to stop, prevent and reduce such impact. The measures are monitored and the effect of is assessed and communicated to those affected. Where our activities cause or contribute to a negative impact on people, society, or the environment, we will stop this activity, and we will seek to repair the damage. Where the supplier is responsible for the negative impact / damage, the supplier is also responsible for recovery.

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

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### Beskriv eventuelle tilfeller av gjenoppretting i rapporteringsperioden

Reflex/Blåbær Production as:

Based on findings from BSCI reports during 2022, we found that several workers were missing sufficient injury insurance at one of our first-tier suppliers. We have discussed this matter with our supplier and reminded them of our requirements, CoC and general legislations. All employees must have insurances which cover any cases of injury and/or illness that is in any way related to work. The supplier respected our requirements and insurances for all workers were established.

Similar findings do though occur now and then, and remediation for these findings is an ongoing process. This also includes excessive overtime above legal limit and payments below living wage.

Our updated order terms include requirements that all our suppliers shall offer all workers living wage and insurances that will cover any accidents or injuries related to work. Furthermore, we have required establishment of worker representation at all factories.

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## 6.B Sikre tilgang til klagemekanismer

### 6.B.1 Beskriv hva selskapet gjør for å sikre at påvirkede arbeidere og lokalsamfunn har tilgang til effektive mekanismer for gjenoppretting, når det er aktuelt

During the previous years, third party audits have been our main sources of information when it comes to mapping effective grievance mechanisms in our supply chain. In cases where for example BSCI-reports have shown deficiencies, we have requested concrete action plans from suppliers to secure progress and integration of these kinds of systems.

In the coming year we will work more systematically to request status updates from all suppliers to ensure that effective grievance is established and well-functioning. We will continue to follow up our requirement that our suppliers have a freely elected Worker representative and/or Worker's committee. This will be done in addition to information gathered from audit reports, since reports will only give access to limited information and insight in whether systems are well-functioning. Although these systems can be easier to follow up on through physical factory visits and inspections, we believe that frequent dialogue and discussions via video-meetings and email will increase awareness and understanding of the positive effects.

During recent discussions with our suppliers we have seen several examples of an increased willingness to be open-minded regarding these issues which sets a good foundation for further work and improvement. Through our membership in Amfori we are planning to join a program which will facilitate functional grievance mechanisms in our supply chain. This project will enable a notification channel, to secure that any potential violations, conflicts or complaints can be communicated anonymous by all workers, regardless of their position and status. This will not only give us a better overview of our risks, but will also enable remediation in cases where this is needed. Initially this project will be available for suppliers in India & Turkey, but Amfori have set goals to implement similar measures in China in the following.

Kontaktinformasjon:

Barnas Hus Norge AS - BH Nordic AS

Lasse Erik Moen, CEO

[lasse.erik.moen@bhnordic.com](mailto:lasse.erik.moen@bhnordic.com)