



## CORPORATE SOCIAL RESPONSIBILITY

Kid recognises the value and importance that corporate social responsibility (CSR) has to play in any progressive organisation today, both for employees and the wider community. As well as making our customers' homes more colourful and attractive places in which to live, we appreciate that throughout the supply chain we must act responsibly towards our customers, employees, suppliers and the environment.

In 2016, we started to transform our CSR activities through an initiative called "Act with your heart" (Handle med hjertet). In implementing "Act with your heart" we want to clearly define for our partners, employees, and external stakeholders how Kid uses its commitment to create and maintain sustainable, safe and well-managed working conditions in our supply chain. We also want to protect the environment by creating more sustainable products and processes and delivering safe, quality products to the consumer, along with contributing to local communities. To help in these goals, in 2016 Kid appointed a head of CSR.

Our focus within CSR is founded in the United Nations sustainable development goals;

- 5. Gender equality
- 8. Decent work and economic growth
- 6. Clean water and sanitation
- 12. Responsible consumption and production

The areas of focus are selected based on the challenges we find related to reduction of greenhouse gas emissions, securing a sustainable development of water and natural resources and women's right to education, health and work in the countries we source from.

We already have in place a number of initiatives, both internally and in conjunction with partners, that are making a difference to the way we will conduct our business in the future.





## ETHICAL SUPPLY CHAIN

In 2008, Kid became a member of the Initiativ for Etisk Handel (IEH), the Norwegian sister organisation of the international Ethical Trading Initiative (ETI), a resource centre and a driving force for ethical trade. IEH works to promote responsible supply chains so that international trade safeguards both human and labour rights, sustainable development and sound environmental management.

Meeting ethical standards is of major importance to Kid, and we are committed to working only with companies that have appropriate working and environmental conditions. As a member of IEH we are actively working with our suppliers to ensure this. During 2016, we re-examined our Code of Conduct and updated it so that it is in alignment with the ETI, the leading international alliance of companies,

trade unions and NGOs that promotes respect for workers' rights around the globe. This update makes it easier for our suppliers to follow up on the code as it now adheres to an international standard, as well as giving clear reference to the legislation behind the different requirements in the code.



Initiativ for etisk handel

Kid is also a member of Grønt Punkt Norge – Green Dot Norway – a national, non-profit, member-based organisation set up to manage the collection and recycling of used packaging. Kid partners with Grønt Punkt Norge to manage the proper collection and recycling of all our plastic, metal and glass packaging, beverage cartons and corrugated cardboard in Norway. By using this service, we are licensed to use the Grønt Punkt mark on our packaged products.

## SAFE AND QUALITY PRODUCTS

Kid wants all of our customers to be certain in the knowledge that there are no products that they buy from us that are detrimental to health or environmentally hazardous. Through continuous testing, we ensure that all the products we offer are safe and produced under stringent production techniques.

All of our fabrics that are used directly against skin carry the Oeko-Tex label. This means that they are produced to conform to the current Oeko-Tex Standard 100, which sets strict requirements on the level of chemicals used in clothing products. For example, all of our baby fabric products meet the Oeko-Tex Standard 100, Class 1 - the most stringent requirement, with very low limits for chemical residues – while linen, bed sets, blankets and pillows for adults are produced according to Oeko-Tex Standard 100, Class 2.

Oeko-Tex has test laboratories throughout the world to ensure equal testing methods and common standards. A certificate number and the name of the test institute which carries out the product's testing must be on the Oeko-Tex label in order to be valid.

This tracking capability is one of the principles of the certification system and is the consumer's assurance that the product is legally marked.

Additionally, Kid is working with other certification schemes, including GOTS and Swan labelling. GOTS (Global Organic Textile Standard) is an international labelling scheme for organic textiles, which demonstrates that they meet environmental, health, social and worker safety criteria throughout the production process.



The Swan is the official Nordic eco-label and demonstrates that a product is a good environmental and ethical choice. The Swan label has strict requirements for the whole lifecycle of the product. This includes the choice of raw materials, how the product is produced (including working conditions), and how it may be recycled. Kid's candles carry the swan label as they are made using animal fats. This is a responsible alternative to palm oil, the production of which is a major contributor to rainforest deforestation and threatens animal diversity. Kid napkins, selected sheets and pillow covers also carry the swan label.



## ENVIRONMENTAL MEASURES

In 2016, the company joined Textile Exchange. Textile Exchange is a global non-profit organization that works to make the textile industry more sustainable. Through our membership, we have started the process of material change. This includes using more sustainable fibres, such as responsible wool and responsible down. Textile Exchange identifies and shares best practices regarding farming, materials and processing so we can reduce the impact on the world's water, soil, air and human population.



Kid stores act as reception centres for unwanted interior fabrics – such as curtains, towels, duvets and bed linen – which are dropped off by the public. Kid then sends on these fabrics for use by UFF.

In 2017 KID collected 19 990 kg of used interior textiles, which contributed to a reduction of an equivalent of 100 tonnes of CO2. For 2018, we aim to collect 30 000 kg of used interior textiles.

Kid is actively working to reduce concentrations and quantities of hazardous materials and we use an industry-standard chemical guide that lays out strict requirements for the use of chemicals in production. We encourage our suppliers in their efforts to produce the lowest possible levels of local contamination during production and the least chemical substance residues in their produced goods. We also focus on using the most appropriate materials and try to produce the least amount of waste products as possible. Alessia towels are a good example of this, where the towels are made only from textile remnants from other towel productions. Another example is baskets, placemats and potholders sourced from Bokhari (Pakistan) which are made of remnants from production of jersey cotton sheets.

One specific issue Kid began to focus on in 2016 was microplastics. Microplastics present a threat to marine life, as well as being a pathway for the transport of harmful chemicals through the food chain. As a direct result of our focus on this subject Kid has phased out the use of all plastic shopping bags in our stores, and only supplies paper bags to our customers.

We have established a textile recycling scheme in collaboration with UFF Norway for the collection, reuse and recycling of used interior textiles. UFF Norway operates a large humanitarian aid network, developed through projects related to the reuse of fabrics and textiles. The organisation has developed a robust system for ensuring that the handling of fabrics occurs in an ethical and responsible manner, and is a member of Fundraising Control in Norway.

Guppyfriend washing bag was launched in our stores during 2017. The washing bag reduces microfibers that enter rivers and oceans as a result of the washing process by 70-100%. The washing bag is a practical solution for our customers to impact an environmental issue.

During 2017, Kid continued the replacement of old-fashioned lighting with the latest LED lighting systems. This new energy-saving lighting is also in use throughout our headquarters and logistics centre. Further initiatives include the development of an environmental audit which will analyse, among other things, the company's use of electricity, with a view to improving our environmental footprint.

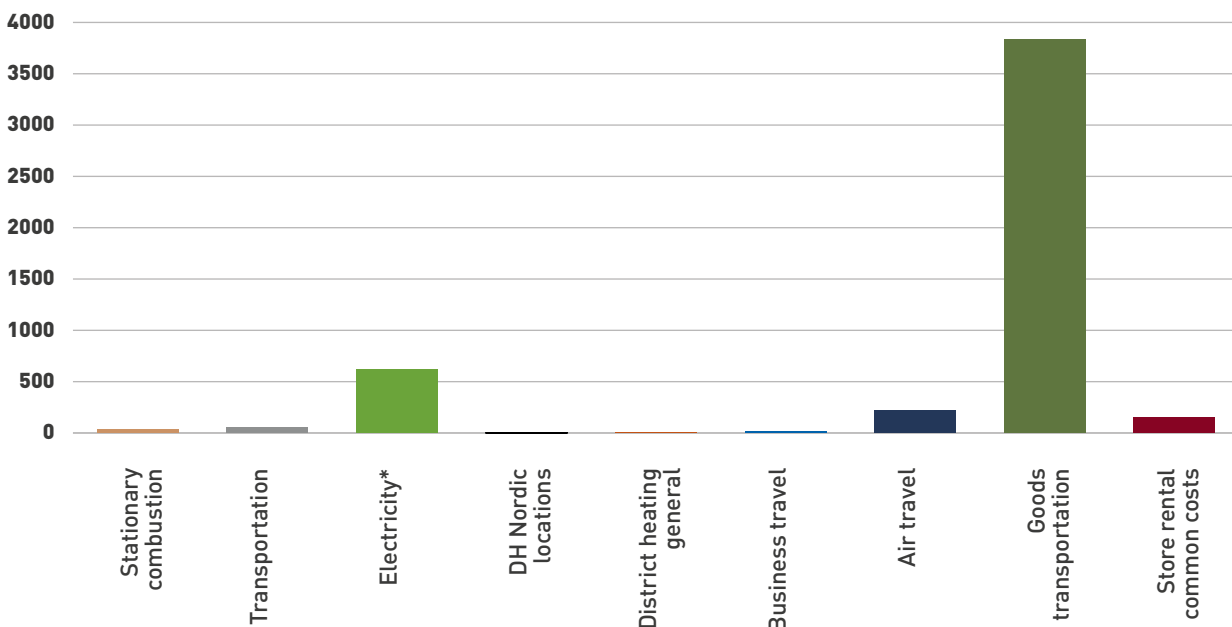
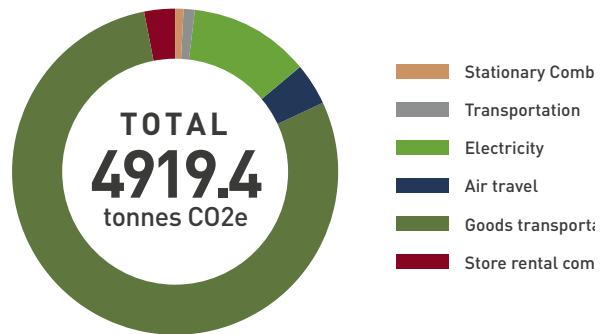


## CARBON FOOTPRINT

Kid completed its first carbon footprint calculations in 2017 in order to measure and analyse carbon emissions and set goals and strategies for reduction. This will be supportive of Norway's international obligations to reduce global warming. We use the CEMAsys model which is based on the international standard Greenhouse Gas Protocol Initiative (The GHG Protocol) and includes an extensive database covering worldwide emission factors. The GHG Protocol is the most widely used method to manage greenhouse gas emissions and was the basis for the ISO 14064-I standard (2006).

We report scope 1, 2 and 3 emissions and include all emissions from the point where goods are delivered on dock in the country of production until goods are sold to the end consumer in Norway. All direct emissions from our warehouse and stores are also included.

Scope 3 represent more than 80% of our emissions, and is mainly related to transportation of goods from country of origin to the main warehouse in Norway. Our total emissions in 2017 was 4 919,4 tonnes CO<sub>2</sub>e, and is further specified in the below figures;



## CHARITABLE ACTIVITIES

Kid has determined that it will make the greatest positive impact on the community by supporting a single charity and doing all we can to raise funds and awareness of a single cause. For this reason, the company has chosen to support Pink Ribbon, a breast cancer awareness campaign.

Kid is among the main sponsors of the Pink Ribbon campaign in Norway. Every October, we sell Pink Ribbon pins and our bespoke-designed Pink Ribbon products in all of our Kid stores, with all profits going directly to the campaign. In 2017, we contributed MNOK 2.3 to Pink Ribbon.



## SUPPLIER PARTNERSHIPS

Kid Interior purchases goods from many parts of the world, which involves a large and complex supply chain with many links. We do not own production sites ourselves, so it is particularly important for us to know that both workers and the environment are well taken care of within supplier companies.



Kid recognises that we need to work closely with our suppliers in order to monitor and assist them in their own social responsibility initiatives – particularly in relation to working conditions, environmental impact and business conduct.

To ensure that our production is undertaken in ethical conditions, all our suppliers are obliged to sign and comply with our Code of Conduct and restricted substance requirements for chemical content. These agreements will ensure sound employee working conditions, that no child labour is in use, that environmental considerations are taken into account when it comes to raw materials – especially in relation to the protection of exotic woods and forests – and that there is good animal welfare.

We conduct regular business and factory site audits of our suppliers – most of whom are operating in China, India, Pakistan and Bangladesh – in order to evaluate their CSR performance. Here, the health, safety and environment, wages and working conditions, along with business practices, are evaluated, so we may vouch for a CSR-compliant supply chain.

Full audits are undertaken every three-to-six years at a factory. If issues are discovered during an audit, a corrective action plan is created with clear timelines. Wherever possible and appropriate, Kid will work with the supplier to tackle non-compliance issues by changing routines or implementing other changes. It is neither in our interests, nor those of our suppliers, to drop them as a partner if we can help them to meet our and their social responsibility targets.

As an additional means of driving change and compliance in our supply chain, as well as our partnership with IEH and ETI, we are now implementing a social dialogue project in collaboration with QuizRR. QuizRR is helping global buyers to manage risk, helping suppliers to generate business and training millions of workers on their workplace rights and responsibilities. We have a pilot with two factories to train both management and workers on employee engagement which focuses on improving dialogue and engagement at the workplace. Improved dialogue should empower the workers to improve their working conditions, both when it comes to environment, health and safety, but also regarding remuneration.

## DOWN PRODUCTS

All of our down products are subject to regular laboratory testing for purity, correct down content – duck or goose feather – fill-weight and down-proofing of the cover.

They are also produced in an ethical manner - which means that the animals are neither force fed, nor are the down and feathers picked from live animals. All of our down products carry a Down Pass certification, issued by the European Down and Feather Association (EDFA) and controlled by the International Down and Feather Testing Laboratory (IDFL).

As a step towards a more circular economy, Kid launched the Re:Down duvet and pillow in September 2017. The products contain only recycled down based on a process whereby 97% of collected goods are recycled.

The production process is in accordance with Global Recycled Standard og Sustainable Textile Production of Oeko-tex (STeP by Oeko-Tex). Through our textile recycling scheme in collaboration with UFF, we are able to increase the amount of used down pillows and duvets that are collected at our stores and later become the basis for the Re:Down value chain.

More information is available on [www.kid.no/redown/](http://www.kid.no/redown/).





## COTTON PRODUCTS

The cotton plant is grown on approximately 2.5 percent of the world's arable land, however approximately 25 percent of all pesticide and 10 percent of all herbicides are used to produce cotton. In cotton farming today there is also a heavy use of fertilizer and water.

More than 50 percent of our total product range contains cotton, so in 2016, Kid decided to transform our cotton usage to meet the highest possible environmental standards. We have set a goal that by 2020 Kid will procure only 100 percent-sustainable cotton. This change will happen through the increased use of organic cotton, by purchasing Cotton made in Africa-, Swan- and GOTS-certified products, but mainly through our membership of the Better Cotton Initiative (BCI).

We are a proud member of the Better Cotton Initiative (BCI). BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the industry's future.

Better Cotton means producing cotton in a way that cares for the environment through processes that minimise the negative impact of fertilisers and pesticides, and care for water, soil health and natural habitats. In addition, producing Better Cotton can also improve farmers' livelihoods and increase access to global markets.

In 2017, we reached two important milestones. All towels and all bed sheets are now produced by using sustainable cotton.



## FURTHER DETAILS

For more details of Kid's corporate social responsibility programme, please visit: [www.kid.no/samfunnsansvar](http://www.kid.no/samfunnsansvar)