



Difrax CSR policy

What exactly is corporate social responsibility (CSR)?

CSR means that with your business activities you add value to people, planet, partnerships and prosperity. These are the activities you use to contribute to a better world. At Difrax, with our baby products we are constantly thinking about the next generation. We make conscious and sustainable choices for now and later. The activities by Difrax are illustrated in this policy plan on the basis of four themes:

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1 People

1.1 Difrax policy and strategy

For over 55 years, Difrax has been supporting mums and dads around the world with growing children aged 0 to 4. Our products are functionally and emotionally well thought-out and also grow with the child. You can find our products in more than 40 countries. We:

- ✓ Understand that 'caring for' and 'enjoying' can go hand in hand
- ✓ Realise that parenting, developing, learning and growing up can be fun
- ✓ Understand that happy growth requires both parents and children to be happy

Offering *A little help* is Difrax's mission and goes beyond offering help and support to (new) parents. Difrax also stimulates the development of growing children with its products and develops smart and innovative products for healthcare professionals.



1.2 Sustainable trade

Difrax develops products with a focus on sustainable trade. This is the most important principle not only for ourselves, but also for our stakeholders. Our stakeholders are:

- ✓ The employees in the production chain
- ✓ The employees at headquarters in the Netherlands and Poland
- ✓ Customers, distributors and corporate brands such as Hema, Tommy Hilfiger and Zeeman
- ✓ Consumers, the end users of our products
- ✓ Governments and civil society organisations

Sustainable trade means that any risks in the production process or during transport are identified and prevented or reduced. This can involve both environmental and social aspects.

Difrax has mapped out the entire production chain from raw materials, suppliers, manufacturers to the finished product. This also includes the method of transport. This insight enables Difrax to detect problems more easily. We also regularly check whether this information is still up-to-date.

Our products are manufactured in countries with a higher CSR risk, such as Thailand and China. Difrax is aware of the risks and strives to find solutions for improvements. There are several risks identified in Thailand and China such as low working conditions, insufficient union freedom, child labour, government influence, unsafe working conditions and environmental issues. In the following chapters, we talk more about how Difrax is designing improvements and solutions. Difrax has a clear overview of the production chain and focusses on the manufacturer.

1.3 Social compliance

Most of our products are produced in factories with a social compliance system in place such as amfori BSCI. Other social compliance programs (e.g. ICTI and SMETA) also follow these themes. There are programs that focus more on environmental protection or working conditions. In addition to amfori BSCI, Difrax also works with amfori BEPI where the focus is on reducing negative impacts on the environment.

In its CSR policy, Difrax follows the 11 principles of amfori BSCI:

1. Right to unionise
2. No discrimination
3. A fair wage
4. Decent working hours
5. A safe and healthy workplace
6. No child labour
7. Protection of young workers
8. No precarious employment, but contract work
9. No forced labour
10. Protection of the environment
11. Acting ethically, no corruption or inequality



Audit reports from both amfori BSCI and other social compliance systems give us insight into working conditions. The audits that take place regularly (at least once a year) at the factories test for these themes. The audit reports discuss performance on each theme and assign a score. Difrax can immediately see how well a factory scores on a particular theme. If improvement is needed, the manufacturers write a Corrective Action Plan, which also has a timeline attached. We evaluate these together at various points in the year. Difrax organises video calls to discuss in detail whether the points for improvement have actually been implemented and where there is still room for improvement.

Difrax is very involved with the manufacturers and looks where support is needed to work even more sustainably and efficiently in order to achieve a better score together. This involves not only looking at the manufacturer, but also at ourselves. Difrax adopts a flexible attitude to stagger or cluster an order. It is an ongoing process to become better together. Some problems are easy to solve like visualise safety instructions in the factory. But there are also problems that require more time and a different approach such as reducing overtime.

When Difrax detects the manufacturer is not acting proactively enough, we take appropriate measures such as scheduling an extra audit, requesting more documentation, offering workshops via amfori BSCI, adapting the material and/or raw materials, developing a new production mould, optimising the production process and order planning or switching to another manufacturer.

Difrax aims for a strong, reliable and long-term relationship with manufacturers. Thus, we contact our manufacturers daily by e-mail, telephone or via video, and visit the manufacturers once or twice a year.

1.4 Personalised approach in the production chain

During our last visit, we asked employees at two different factories in Thailand to complete a questionnaire to get to know them even better. This questionnaire showed that many of the employees have been working for the factories for a long time. They often live in the area and do not have long commutes. A dream regularly shared in the questionnaire was winning the lottery. And in terms of hobbies, baking & cooking, gaming & watching TV and gardening are the most common. One tip we were given is to include even more colour and (cute) prints in the collection.



1.5 Supplier profile

In addition to audit reports and CAPs (Corrective Action Plans following an audit), Difax receives raw material sheets and other documentation from the manufacturers that are necessary to establish a supplier profile. Difax is aware of European laws and regulations relevant to products marketed in Europe. Such as the requirements regarding food-contact materials, childcare products (applicable standards) and factory documentation. Difax has included these in the form of its own checklist.

2. Planet

2.1 Transport

Together with our manufacturers, Difax strives for even more sustainable solutions before and during transport. For example, Difax is replacing the plastic bags used in cardboard boxes during transport with paper bags. A key priority is to transport in full containers via sea freight and avoid air travel. Where possible, Difax sometimes transports by train. With Thai manufacturers, we are constantly looking at production planning to fill a container together.



2.2 Conscious and safe choice of materials

All Difrax products are extensively tested in accordance with European laws and regulations. European standards have been developed for a number of products, such as EN1400 for soothers and EN14350 for baby bottles and cups. When choosing materials and raw materials, Difrax is all about the safety and hygiene of each product. We choose only the best materials for the child and the environment. Where possible, we choose materials that are easy to recycle.

For the S-bottle, we chose the sustainable materials: polypropylene, silicone and borosilicate glass. For the soothers, we only use polypropylene and silicone. We closely follow sustainable materials and raw materials, production methods and recycling ways.

When a new innovative material or production process presents itself, Difrax investigates the possibilities and tests the suitability of the material for the products.

2.3 Recyclable polypropylene

The S-bottles and soother shields are made of polypropylene. Polypropylene is fully recyclable and is 100% safe. The material is free of BPA and plasticisers. Besides being recyclable, polypropylene also has other advantages. For instance, this material withstands large temperature differences well, is resistant to bacteria and fungus and can be steam sterilised. Polypropylene also has a long lifespan, allowing its parts to be reused.



2.4 Reliable silicone

Difrax deliberately chooses silicone instead of natural rubber for the bottle nipples and the suction part of the soothers because of its advantages (odourless, taste-free and allergy-free). Silicone is not recyclable, but is sustainable in use because of its positive properties (hygiene, less likely to tear and weather resistance). Currently, the production process of natural rubber is still environmentally harmful due to the addition of chemicals to make it usable. Natural rubber also has some negative properties such as smell/taste, deformation/discolouration and is allergy-sensitive. Difrax stands for consistent quality and can guarantee this with silicone. Silicone is therefore a more reliable material.

2.5 Durable glass

The glass S-bottles are made of very strong and durable borosilicate glass. Borosilicate glass is made of 100% natural minerals and is lead- and BPA-free. This glass is lighter than normal glass and has a lower coefficient of expansion. This means that this type of glass expands less with heat than 'normal' glass and can withstand large temperature differences well. Borosilicate glass has an extra long lifetime and is also used in laboratories. Difrax bottles are impact-resistant, lightweight and durable in use. Since the introduction of our glass bottle in 2019, nearly 41,000 of them have already been sold!

2.6 Packaging

Difrax continuously strives for the most sustainable packaging, materials and products. For example, our packaging contains as little plastic as possible and as much paper/cardboard as possible (FSC certified whenever possible). The window of the packaging is just big enough to display the product for the consumer. Difrax is currently investigating the possibilities of recycled plastic for the window and how to make the packaging smaller / more efficient. Hygiene is maintained, as the product cannot be touched.

3 Partnerships

3.1 Our worldwide partnerships

Difrax develops S-bottles, soothers and other products on behalf of corporate brands such as Hema, Tommy Hilfiger and Zeeman, and under licence the Woezel & Pip collection. Difrax has also produced products for charities in the past. For example, we have developed special soothers for CliniClowns and 3FM Serious Request to raise extra money. Furthermore, we offer support to various global organisations in the form of donations or providing products and training.



✓ Free a Girl

Within Difrax, empowerment of women and girls is a big and important theme. One of the organizations that we therefore support is Free a Girl. Free a Girl strives for a world without commercial sexual exploitation of children. Read more at freeagirl.nl.



✓ **Ondernemers voor Ondernemers van Oxfam Novib**

Difrax supports Oxfam Novib's Entrepreneurs for Entrepreneurs program. Using a microcredit (loan), training and advice, it supports people with their entrepreneurial dreams in poor countries. With the help of their own business, they create enough resources to take good care of their children. In addition, Difrax sells a number of products on Oxfam Novib's website. Read more at oxfamnovib.nl.



✓ **Plan International**

Around the world, millions of girls cannot go to school because they are married off or put to work at home. Difrax supports Plan International to give these girls a fair chance of development and a better future. Read more at planinternational.nl.



✓ **Fier**

Fier is committed to preventing, stopping and helping with the consequences of violence in relationships. Difrax supports Fier by providing physical and online parenting education to young and expectant mothers to whom Fier has provided shelter. Read more at fier.nl.



✓ **Because we carry**

Difrax is helping Because We Carry with soothers and baby bottles. Because We Carry does its utmost to support as many refugee mothers as possible. Product kits make it easier for these mothers to care for their children. This year, nearly 5500 soothers and baby bottles have already been sent to Because we Carry on Lesbos. Read more at becausewecarry.org.



✓ **Stichting Babyspullen**

Difrax donates Baby Stuff Foundation baby products from leftover supplies. This prevents these items from going to waste and gives them a second life with families who really need it. This year, Difrax has already donated nearly 26000 soothers and bottle bags. Read more at stichtingbabyspullen.nl

4 Prosperity

4.1 Sustainable Development Goals

In 2020, Difrax linked the existing initiatives within the organisation to the United Nations Sustainable Development Goals (SDGs). The main focal points for Difrax are linked to the following four SDG goals.

SDG 3. Health care for all

- ✓ Difrax supports charities to improve the global health of babies and mothers;
- ✓ keeps a close eye on the well-being of employees in the factories.

SDG 5. Equal rights for men and women

- ✓ Difrax supports charities that stand for empowerment among girls and women;
- ✓ coaches women entrepreneurs.

SDG 8. Economic growth, employment and decent work for all

- ✓ Difrax maintains oversight of improved and safe production;
- ✓ provides labour market opportunities for students in the Netherlands.

SDG 12. Sustainable consumption and production

- ✓ Difrax continuously strives for the most sustainable materials and packaging;
- ✓ opts for safety and hygiene for every product.

<p>3 GOOD HEALTH AND WELL-BEING</p> 		<p>5 GENDER EQUALITY</p> 		<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 		<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	
<p>We map out Mapping out the health and safe working environment in our factories</p> <p>We check Checking regularly working conditions via audits in factories (including Amfori BSCI, ICTI)</p> <p>We research Researching different charities to use for our donation button</p> <p>We support Free a Girl Because We Carry Stichting Babyspullen</p>	<p>We encourage Encouraging female entrepreneurship and female employees (HQ 80%, factories 60% women)</p> <p>We share Sharing information about parenting with teenage mothers Sending soothers and bottles to refugee mothers</p> <p>We analyse Analysing how many women and at what positions they work at our factories</p> <p>We support Ondernemers voor Ondernemers (Oxfam Novib) Plan International Fier</p>	<p>We motivate Motivating more manufacturers to get connected to Amfori BSCI or other social compliance programs</p> <p>We research Researching living wages in our production countries</p> <p>We support Outsourcing work to people who have a distance to the labor market</p> <p>We share Sharing knowledge and training at Difrax Academy for maternity nurses Learning from healthcare professionals and trainees</p>	<p>We stimulate Transporting full containers by sea freight or train Printing as little as possible and double-sided</p> <p>We explore Exploring sustainable packaging (FSC paper, as little plastic as possible) and sustainable production methods</p> <p>We investigate Investigating how to transport even more efficiently (e.g. outer boxes of the same dimensions)</p> <p>We strive Striving for the most sustainable materials (such as glass) with the best and safest properties</p>				
			 <p>We support the Sustainable Development Goals</p>				

These four SDG goals run like a red CSR thread through our company. Within each department, there is or has been an initiative related to a goal. In every office, the poster with the SDG goals hangs as a reminder and we take the SDG goals into account in every business initiative. In addition, an update to the whole office takes place a few times a year.

5 KPIs 2024 and implementation

For 2024, Difrax has set a number of measurable KPIs (key performance indicators) as goals to continue working towards its CSR ambitions.

- ✓ Design & Sales & Purchasing are investigating improvements in packaging such as use of color, a different design for labor intensity, less plastic (e.g. reduce caps on soothers) and transporting less air so that more fits in the container. Also, more and more packaging is becoming FSC we aim for more than 70% of our assortment to be sustainably packaged.

In part, products are purchased via Canpol in Poland, which means road transport and a much shorter route.

- ✓ Marketing creates more awareness of the CSR policy among its target group and business contacts through newsletters and Difrax socials. We are also reducing print use and offering POS materials digitally as much as possible.
- ✓ Design is deepening its understanding of the Difrax CSR policy and SDG goals through infographics.
- ✓ Ecommerce is going to send letterbox packages without Track&Trace, giving them the most sustainable shipping: no longer with parcel service, but with the regular cycling letter carrier. And this is cheaper for the customer.

