

KAF | HOME

KAF Corporate Social Responsibility

Last updated September 20th, 2023

At KAF, our approach is to work closely with our clients and vendors to offer best in class products and services through an ethical and transparent supply chain. We believe that our success is built on a foundation of personal and professional integrity and KAF is committed to respecting internationally recognized human rights principles as defined by the United Nations [Universal Declaration of Human Rights](#)

We understand the challenge of ensuring high social, ethical and environmental standards within our business and are committed to working collaboratively with our consumers, retailers and suppliers to ensure that these standards are continually improving. In order to achieve this, KAF has developed this Social Compliance Policy based on the internationally recognized ETI base code, developed by the International Labour Organization. This policy sets forth the basic requirements all Vendors must meet in order to do business with KAF Home.

Accordingly, it is the responsibility of all KAF employees, business partners, suppliers, agents, and designated third parties to act in accordance with the KAF Code of Conduct. KAF strongly encourages contractors, agents, and suppliers to exceed the Code of Conduct requirements and to promote best practices and continuous improvement throughout all production facilities. Our goal is to use the Code of Conduct and audit results as an integral part of our supply chain strategy, influencing how we rate, select and build vendor partnerships now and in the future.

Code of Conduct / Social Compliance Audit Policy

It is KAF policy to monitor every facility that is involved in the manufacture of a KAF branded product, and brands for which KAF is authorized / licensed to produce. This currently includes all finished goods factories, and may extend to 2nd and 3rd tier suppliers and subcontractors. At a minimum, vendors are required to educate their suppliers about the KAF Code of Conduct, and ensure they do not embody any Critical Non Compliance Issues. Absolutely no production can be performed in a new facility until a satisfactory social compliance audit has taken place. Production includes bulk orders, as well as samples that are regularly produced at the same location. Violation of this policy can result in the termination of any existing contracts or licensing agreements.

New suppliers must be identified to the KAF Compliance Team at least 8 weeks prior to the anticipated start of production. On average, it will take 4-6 weeks to schedule and execute an initial factory inspection. Inquiries and requests can be made through your local KAF representative. Factory inspections will be conducted by an approved third party audit company. Existing social compliance certificates may be submitted for consideration in lieu of an audit for/by KAF.

Approved auditors include:

Standards Accepted:

BV	BSCI
Elevate	SA 8000
Intertek	SMETA II or IV Pillar
Omega	Or a passing audit from:
QIMA	<ul style="list-style-type: none">• Costco (CoC, not only GMP)
SGS	<ul style="list-style-type: none">• Disney (FAMA)
TUV	<ul style="list-style-type: none">• Target
UL	

Audits will be conducted regularly on every factory, at least once every 24 months. If the factory has not been previously audited, the first audit will be paid for and scheduled by KAF and all subsequent audits will be the responsibility of the factory, or as otherwise negotiated. Each inspection will include a thorough audit of the facility for Health and Safety, Social Compliance, Forced Labor and Human Trafficking, and Environmental issues. Factory records involving payroll, operating licenses, employee personnel records, etc. will be reviewed for legal compliance with local laws. Plus, a random sampling of employees will be interviewed to evaluate working conditions at the facility. A typical inspection will last between 6-8 hours, including employee interviews. At the end of the inspection the factory manager will be verbally advised which status their facility has attained. The manager will also be presented with a written list of action items for any irregularities that have been found during the inspection. The factory manager and any associated agent will then be mailed a detailed factory evaluation report. The factory manager and staff must then return their proposed corrective action plan in a signed document to KAF.

All factories must meet a minimum score of "C - Accepted / To Be Improved ", in order to continue business with KAF. Factories will be placed under a Corrective Action Plan with KAF until the passing score is met. Violations of KAF's Social Compliance Policy will be appropriately remedied at the cost of the facility. KAF reserves the right to take necessary measures to ensure future compliance with this Social Compliance Policy. Failure to comply with KAF's Social Compliance Policy may ultimately result in termination of the relationship between KAF and the Facility.

The following represent the requirements to avoid Zero tolerance violations, and are based on the **ETI Base Code** from the ILO

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child Labor shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practiced
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

Environmental Concerns

Vendors are required to conduct business in compliance with all applicable environmental laws, rules and regulations. Waste is minimized and items recycled wherever this is practicable. Effective controls of waste in respect of ground, air and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place. In respect of packaging and paper, undue and unnecessary use of materials is avoided, and recycled materials are used whenever appropriate. In respect of energy use, all production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, are based on the need to maximize efficient energy use and to minimize harmful emissions.

Business Integrity

Vendors must provide a workplace free of bribery and corruption by complying with all applicable laws relating to bribery, money laundering and/or corruption as well as prohibiting the exchange of money or anything else of value to or from anyone, including government officials, to influence actions or obtain an improper advantage.

Implementation

KAF is committed not only to comply with this Policy within its own business, but to working collaboratively with its Suppliers and Contractors to drive compliance of the same. We will support our Suppliers and Contractors in achieving this objective and will abide by the following principles in order to drive this improvement in ethical performance.

KAF Commits To:

- Allocate the required resources in order to fully implement the Policy, including an internal system to record and monitor compliance.
- Assign responsibility for the implementation of this Policy to an appropriately trained management representative who will provide the Board, suppliers and other stakeholders with compliance updates and implementation performance as required.
- Work collaboratively with our suppliers, supporting them in the improvement of social, ethical and environmental standards where required and appropriate.

- Full compliance with this Policy within our own business and to ensure that all relevant employees are aware of the Social compliance Policy.
- Acknowledge specific national, regional and cultural challenges that may affect compliance. Recognise suppliers' own standards where they are comparable to our own.
- Communicate this Policy to all suppliers and contractors and seek formal acceptance and commitment to its implementation.
- Report the level of compliance to each supplier and request a comprehensive corrective action plan be developed, complete with relevant targets and timescales.
- Support suppliers through any remediation process and will monitor progress. KAF will communicate periodically to KAF employees, management, suppliers the progress towards compliance with this Policy.
- Periodic review of this policy in order to continually improve, taking into consideration changes in legislation, and any other requirements to which the Company subscribes, and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.
- Cease trading with suppliers demonstrating a persistent disregard for this Policy while giving appropriate consideration to the impact this may have on the supplier and community in which they operate.

KAF Requires its Suppliers to:-

- Comply with this Policy and all applicable laws in the countries in which they operate. Where standards differ, the standard which offers the greater degree of protection to employees shall apply.
- Communicate openly and honestly with KAF and allow access to documentation and sites as required to determine performance against this Policy.

Questions

If you have any questions or would like to discuss our supplier social responsibility requirements in more detail, please email compliance@kafhome.com. The section below to be signed by the supplier/contractor and a copy of this page to be returned to KAF.

Acknowledged & Agreed by

[FACTORY NAME]

Date: _____

Name: _____

Title: _____

Sign: _____

KA&F GROUP LLC

Date: _____

Name: _____

Title: _____

Sign: _____

KAF Social Compliance Ratings:

- “A” - Fully Compliant
 - Demonstrates best practices.
 - No more than five minor issues outstanding on the CAP and only isolated violations that do not rise to the “Major” or “No Tolerance” level.
 - The factory has no serious safety, health, or labor issues and is certified to produce KAF products for 24 months, at which time a new audit is necessary to maintain an accepted rating.

- “B” - Mostly Compliant
 - Minor system failures. Making progress.
 - The factory has some minor safety, health, or labor issues. The factory is authorized to produce KAF or related licensed products, and KAF requires that the problems will be corrected in a timely manner.
 - Depending on the severity of the offenses, KAF may require a follow-up inspection with an approved third party.
 - If the factory has made no attempt to address the problems at the time of the second visit, it will be downgraded to “C” and a new audit will be required.
 - Certification should be renewed within 18 months of original audit date

- “C” - Accepted / To be Improved Status
 - Some serious failures and/or factory is making no progress.
 - The factory has some major safety, health, or labor issues. Eg. excessive working hours, incorrect overtime compensation, or locked emergency exits.
 - KAF requires that the problems will be corrected in a timely manner and a follow-up inspection with an approved third party must be scheduled within 3-6 months
 - If a factory fails to follow through on agreed facility upgrades and/or related remedial actions, KAF will place the vendor on Hold for new production.

- “D/F” - Critical / Noncompliant
 - The factory demonstrates general disregard for KAF codes and standards. Eg. Zero Tolerance violations are found, vendor is unwilling or unable to drive important change, vendor deliberately mislead auditors and/or audit shows critical systemic and repeated problems.
 - In this situation the factory is not authorized to produce for KAF or any of its customers.
 - KAF requires that the problems will be corrected and a follow-up inspection with an approved third party or KAF Auditor must be scheduled within 3 months. If a factory fails to follow through on the CAP, KAF retains the right to cancel any outstanding contracts or licensing agreements, as well as any outstanding Purchase Order(s).