



Report on

# Responsible Business Conduct 2019

for ITP Holding AS





# SUSTAINABLE DEVELOPMENT GOALS



## To Readers Of The Report

Business is key for the achievement of the Sustainable Development Goals (SDGs). A well-functioning and responsible business community contributes to sustainable development through job creation and innovative solutions to global challenges. However, business operations can also have a negative impact on people, the planet and the society. Members of Ethical Trade Norway have committed themselves to work with due diligence for a more sustainable business practice.

The basis of this work is Ethical Trade Norway's Declaration of Principles, which covers the decent work agenda, human rights, environment/climate, anti-corruption and animal welfare. Members are obliged to report annually on challenges they face and on measures carried out to address these. The reporting template is this year for the first time based on the OECD due diligence model. It is new for us and new for our members. It is this report you are currently holding in your hands. The report is publicly available on our website.

The template seeks to respond to the expectations concerning due diligence for responsible business conduct as described in the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. Ethical Trade Norway's report covers essential elements of the Global Report Initiative (GRI) reporting framework and can be used as a progress report for the Global Compact.

**Heidi Furustøl**

*Executive Director*

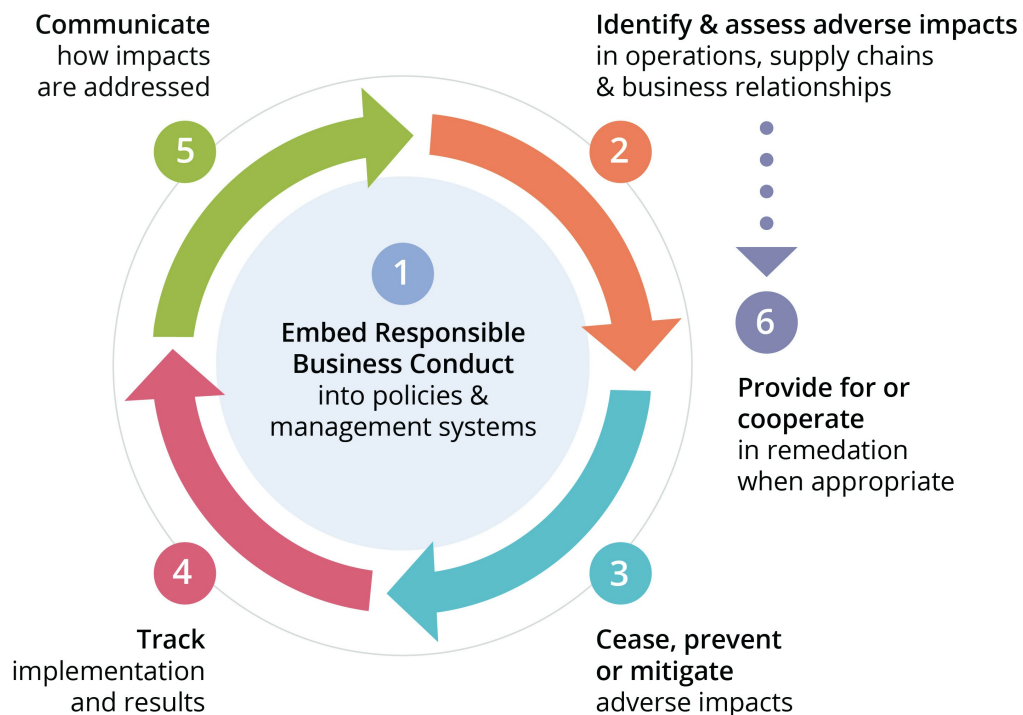
Ethical Trade Norway



# Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.





# Preface From CEO

ITP Group is working with some of the largest companies in the world within our three strategic focus areas – Bathroom, Furniture and Handicraft. Ethical Trade is not only a commitment from our owners and members of our Board, but also a demand from our strategic partnership customers.

Without our long-term focus on our dedicated ethical trade platform and our membership of Ethical Trade Norway, it would not have been possible to become a strategic partner for these global companies.

With new potential strategic partnership customers it is now the first area they would like to discuss “how do you manage ethical trade”. To be a member of Ethical Trade Norway is of course critical in this dialog, as well as, having customers to visit our certified factories in China and Vietnam.

Our cooperation is not only with our customers dedicated ethical trade teams, but also with the customers 3rd party auditing companies, as ethical trade has never had more focus as during these years – customers fully understand the risk and act accordingly.

We work in accordance with all applicable national laws and regulations.

Our Code of Conduct is based on Ethical Trade Norway’s principles and all our suppliers comply with these.

John Aamodt  
*CEO*



# Company information and business context

## Key company information

### Company name

ITP Holding AS

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### Head office address

Bygdøy allè 4, N-0257 Oslo, Norway

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### Main brands, products and services offered by the company

Strategic production management of own and customers brands

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### Description of company structure

ITP Holding AS is an Norwegian group - 100% owners of our subsidiary companies. We are today present in Norway, Sweden, Denmark, P.R. China, Vietnam, USA and Canada.

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### Turnover in reporting year (NOK)

213 000 000

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### Number of employees

80

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### Major changes to the company since last reporting period (mergers, acquisitions etc.)

Acquisition

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### Contact person for the report (name and title)

John Aamodt, CEO

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### Email for contact person for the report

john.aamodt@itpgroup.dk

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## Supply chain information

### General description of the supply chain and the company's sourcing model

Subsidiaries manage strategic production of components and finished products for own and customers brands

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### Number of suppliers with which the company had commercial relations in the reporting year

80

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### Comments to number of suppliers

N/A

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### Approximate ratio by sourcing options



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### List of first tier suppliers (producers) by country



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### State the number of workers at first tier suppliers (producers) that the company has an overview of and the number of suppliers this overview is based on

#### Number of workers

6 000

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#### Number of suppliers

60

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#### Comments to number of workers

N/A

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#### Key inputs/raw materials and associated geographies

<b>Industrial and brand products</b>	China
<b>Industrial products</b>	Vietnam

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#### Is the company a supplier to the public sector?

No

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## Goals and progress

### Goals and progress for the reporting year

1

**Goal :** Create presentation material for a more structured and practically useful approach to the internal training of our employees

**Status :** Partly and still work in progress

2

**Goal :** Set up an Ethical Trade training program for our company employees, and reach a penetration rate of 100%

**Status :** Partly and still work in progress

3

**Goal :** Build a separate Ethical Trade section within our management information system software program. The purpose is to end up with a central database for all information we gather prior to, during and after our audits

**Status :** Done

4

**Goal :** Set up 5 measurable/tangible goals for the Ethical Trade Team

**Status :** Done

5

**Goal :** Create detailed part about Ethical Trade on our website, including our Ethical Trade Programme, Media Kit, etc.

**Status :** Pending



## Goal for coming years

1

Create detailed part about Ethical Trade on our website, including our Ethical Trade Programme, Media Kit, etc.

2

Create presentation material for a more structured and practically useful approach to the internal training of our employees

3

The purpose is to end up with a central database for all information we gather prior to, during and after our audits





# 1

## Governance and commitment to responsible business conduct

Commitment to sustainability means that the business should have relevant policies and codes of conducts in place, as well as effective management systems for implementing them. Central to this is the company's work with due diligence. This means, among other things, the business need strategies and action plans for how the company identifies and manages its risk of negative impact on people, society and the environment, including through business relationships and in the supply chain. Systematic management of such risks will strengthen the company's contribution to the Sustainable Development Goals. Strong commitment from top-management, and clear division of the responsibility for conducting due diligence is key. Those involved need to know how to proceed. Sustainability should be an integral part of business operations. Essential to this is transparency on the company's commitments, challenges faced and measures undertaken to manage those challenges.



## 1.A Policy commitment

### 1.A.1 What does the company say publicly about its commitment to respect people, society and the environment?

[www.itpgroup.no](http://www.itpgroup.no) / Ethical trade

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### 1.A.2 How is the commitment/policy developed and how is it anchored in the company?

Developed by our Compliance team and anchored by the Board and top management

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## 1.B Organisation and internal communication

### **1.B.1 How is the work with responsible business conduct organised within the company and why in this particular way?**

Organized by the Compliance team - Compliance team manager is responsible

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### **1.B.2 How are employees made aware of the ways in which responsible business conduct should inform their decisions and actions?**

ITP cannot work with suppliers that have not been approved by the Compliance team or a plan has been agreed with corrections needed

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### **1.B.3 How does the company make sure employees have adequate competencies to work towards implementing responsible business conduct?**

The Compliance team has specialist

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## 1.C. Plans and resources

### **1.C.1 How is the company's commitment to respect people, society and the environment rooted in strategies and action plans?**

This is rooted via our factory audits and thereby all our employees understand that ITP respect people, society and environment

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### **1.C.2 How is the company's strategies and action plans to work towards being responsible and sustainable followed up in top management and in the board?**

Separate subject during the Board meetings. Top management visit all new suppliers.

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## 1.D Partnerships and collaboration with business associates, such as suppliers

### 1.D.1 How does the company make clear in its business relationships (in particular in the supply chain) the importance it places on responsible business conduct?

We present our CoC, as well as having posters in the factories

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## 1.E Lessons learned and changes

**1.E.1 What lessons has the company learned during the reporting period concerning sustainability, and what has changed as a result?**

N/A



A man with a light beard and mustache, wearing a white hairnet and a dark blue long-sleeved shirt, is looking towards the camera with a slight smile. He is standing in what appears to be a factory or industrial setting, with blurred machinery and structures in the background.

## 2

### Defining the focus for reporting

## Identify and assess the company's impact on people, society and environment

“Identify and assess” is about identifying the company's risk for, and actual negative impact on, people, society and the environment, including in the supply chain and through business relations. As a first step the company should get an overall risk picture, before subsequently prioritising measures where the risk of negative impact is the greatest, i.e. salient issues. How the company is involved in the negative impact is central to determine the right actions to take. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.



## 2.A Mapping and prioritising

### STATEMENT ON SALIENT ISSUES

*Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.*

**2.A.1 In the table below state the salient issues associated with the company's activities and business relationships, particularly in the supply chain and during the reporting period**

Salient issue	Related topic	Geography
Safe and healthy work environment	Environment	China Vietnam
Decent work and working conditions	Occupational Health and safety	China Vietnam
Children's rights and forced labour	Forced labour Child labour	China Vietnam

### DETERMINATION OF SALIENT ISSUES

**2.A.2 Describe how the salient issues were determined, in terms of processes and sources of information, including any input from stakeholders**

From our factory audits

### ADDITIONAL SEVERE IMPACTS

**2.A.3 Identify any severe impacts on people, society and the environment that occurred or were still being addressed during the reporting period, but which fall outside of the salient issues, and explain how they have been addressed.**

N/A



A woman in a blue surgical cap and gown, looking down, in a hospital setting. The background is blurred, showing other people in similar attire and bright lights.

### 3

#### Management of salient issues

## Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings in a way that contributes to a sustainable and responsible business conduct. The most severe negative impact on people, society and the environment should be prioritised first. This does not mean that other risks are less important or that they are not handled. The way the company is involved in the negative impact is central to taking the right action. Negative impact that the company causes or contributes to must cease, and the business must work to prevent and mitigate such risk. To address negative impact directly linked to the company, e.g. in the supply chain, the business must use its leverage to influence the entity causing the adverse impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the company's policy documents and management systems. Effective management of the negative impact on people, society and the environment is a major contribution to the achievement of the SDGs.



### 3. A Cease, prevent or mitigate

**3.A.1 For each salient issue in your supply chain, add a goal, status and describe specific actions and progress made in the reporting year**

<b>Salient issue</b>	Safe and healthy work environment
<b>Goal :</b>	Reduce the risk of negative impact on people, society and environment
<b>Status :</b>	Ongoing
<b>Objectives in reporting year :</b>	Reduce the risk of negative impact on people, society and environment
<b>Actions :</b>	Factory audits



<b>Salient issue</b>	Decent work and working conditions
<b>Goal :</b>	Reduce the risk of negative impact on people, society and environment
<b>Status :</b>	Ongoing
<b>Objectives in reporting year :</b>	Reduce the risk of negative impact on people, society and environment

<b>Actions :</b>	
Factory audits	



<b>Salient issue</b>	Children's rights and forced labour
<b>Goal :</b>	Reduce the risk of negative impact on people, society and environment
<b>Status :</b>	Ongoing
<b>Objectives in reporting year :</b>	Reduce the risk of negative impact on people, society and environment

<b>Actions :</b>	
Factory audits	



## Other actions related to management of negative impact:

**Describe general actions to cease, prevent or mitigate negative impacts, including in your supply chain**

### **3.B.1 Reduction of environmental and climate footprint**

Further optimization of the production processes

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### **3.B.2 Adapting own purchasing practices (sourcing)**

Further strengthening the dialog with our customers to improve the purchasing practices

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### **3.B.3 Choice of product design and of raw materials**

Further strengthening the dialog with our customers to optimize choices around product design and raw material

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### **3.B.4 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation.**

Pending

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### **3.B.5 Contribute to development, capacity building and training of suppliers and workers in the supply chain:**

Already in place

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### **3.B.6 Other plans and measures taken to deal with salient issue**

N/A

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## 4

# Track implementation and results

Tracking implementation of actions and results is key to the company's due diligence process. For example, is the identifying and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect real conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the company's negative impact work as intended? Is negative impact remediated where relevant? This may apply to actions taken by the company alone or carried out in collaboration with others. Companies must have procedures and systems to track their implementation and results in order to assess them. The company's experience with due diligence is used to improve processes and results in the future.



## 4.A Monitoring and assessment

### **4.A.1 Describe responsibilities and procedures within the company for tracking performance with respect to due diligence activities**

All information is monitored in our Ethical trade software - responsibility: Compliance team

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### **4.A.2 Describe how the company evaluates the effect of its own efforts, or those made by suppliers (and other business relations), to identify, prevent and mitigate salient issues**

All information is monitored in our Ethical trade software - responsibility: Compliance team



A woman with dark hair tied back, wearing a light blue button-down shirt and a brown leather apron, is looking down at a large, round, metal tray with several circular indentations. The background is a blurred kitchen or industrial setting.

## 5

# Communicate how impacts are addressed

Relevant external communication on company due diligence for responsible business conduct needs to build on specific activities and results. This include external communication of policies and codes of conduct, or processes and activities related to identifying and managing the company's actual and potential negative impact on people, society and the environment. Communication should also include findings, effects and results of concrete actions or activities.



## 5.A External communication

### 5.A.1 Describe how the company communicates with affected stakeholders when managing its salient issues

Factory onsite meetings

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### 5.A.2 Describe how the company communicates publicly about its own work on identifying and management of salient issues

Meetings with our customers

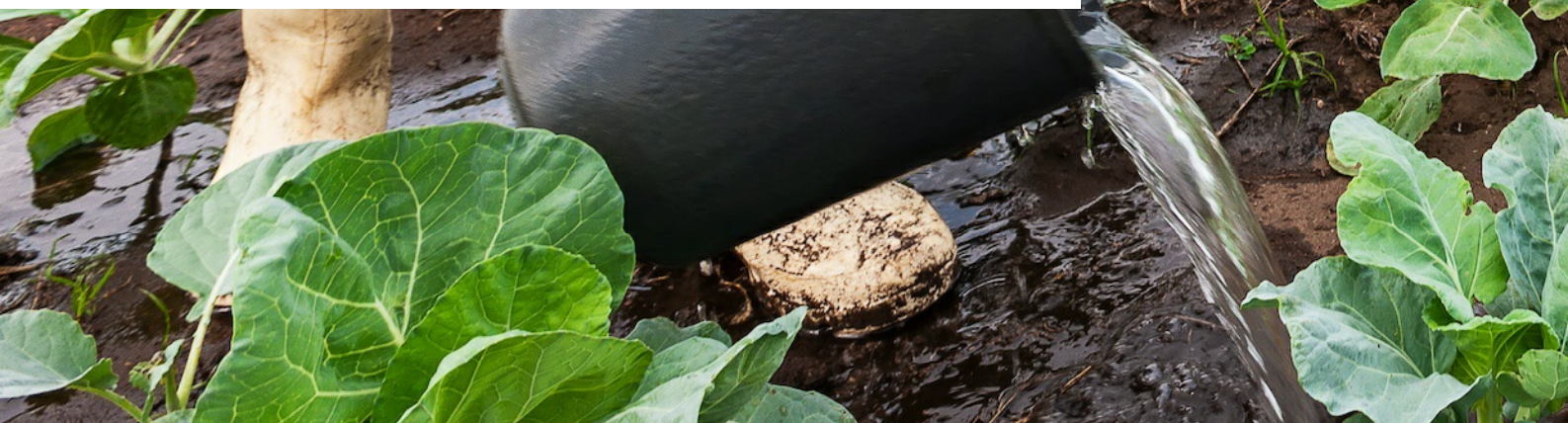




6

## Provide for or cooperate to ensure remediation when appropriate

Once a company has identified that it has caused or contributed to negative impact on people, society or the environment, the company must provide for, or cooperate to ensure remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. When appropriate, companies should provide for or cooperate with legitimate remediation mechanisms through which impacted stakeholders and rights holders can raise complaints.





## 6.A Remediation

### 6.A.1 Describe the company's policy for remediation of negative impacts on people, society and the environment

We follow the national laws and regulations regarding insurance coverage

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### 6.A.2 Describe cases of remediation in reporting year, if relevant

N/A

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## 6.B Secure access to grievance mechanisms

### **6.B.1 Describe what the company does do to ensure that workers and communities have access to effective remediation mechanisms, when appropriate:**

We follow the national laws and regulations regarding insurance coverage



Contact details:

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