

# Ethical Trade Norway: Declaration of principles

## PART I

### About Ethical Trade Norway

Ethical Trade Norway is a resource centre and an advocate for sustainable business conduct, also referred to as ethical trade. The mission of Ethical Trade Norway is to promote sustainable business conduct so that international trade safeguards human and labour rights, society and the environment.

This is undertaken by:

1. Strengthening the support for ethical trade
2. Strengthening members' work with ethical trade

Ethical Trade Norway was founded in year 2000 and is a membership-based organisation for private business, public bodies, trade unions and NGOs. Ethical Trade Norway is a multi-stakeholder initiative that enables stakeholders to collectively address complex and challenging issues that cannot be tackled by companies and organisations alone.

### Sustainable business conduct

Sustainable business conduct<sup>1</sup>, also called ethical trade, is business conduct that contributes to maintaining human and labour rights, society and the environment, and is a precondition for achieving the UN's Sustainable Development Goals. Sustainable development means that today's generations have their needs met without hindering future generations possibility to meet their needs.

While many companies wish to act sustainably, it can be a considerable challenge to do so. The United Nations' «Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework" (UNGP), and the «OECD Due Diligence Guidance for Responsible Business Conduct», have been groundbreaking in

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<sup>1</sup> Sustainable business conduct refers to the term 'responsible business conduct (RBC)' as used in the 'OECD Due Diligence Guidance for Responsible Business Conduct'. Sustainable business practice, or RBC, applies to all enterprises buying goods and services, including the public sector.

ensuring international agreement on the approach and how to work towards sustainable business conduct through due diligence.

Due diligence is the method for sustainable business conduct. It is a risk-based approach to respect and safeguard people, society and the environment in businesses' own operations and in their supply chain. To stop, reduce or prevent negative impact on people, society and the environment is a basic prerequisite to succeed with ethical trade.

Due diligence<sup>2</sup> :

- Is preventative
- Is risk-based and involves prioritisation of severe and likely adverse impacts on people, society and the environment
- Is dynamic
- Is strengthened through the involvement of stakeholders
- Does not shift responsibilities
- Is aligned with international standards for sustainable business conduct
- Depends on the circumstances, such as business model, product choice, size, position in the supply chain etc.
- Involves continuous communication'

## PART II

### Membership obligations

1. Members of Ethical Trade Norway commit to act in accordance with Ethical Trade Norway's statutes and Ethical Trade Norway's declaration of principles.
2. Members shall use their influence to strengthen the support for and knowledge of ethical trade.
3. Ethical Trade Norway's members commit to work towards sustainable business conduct that respects people, society and the environment. Public bodies<sup>3</sup> commit to work actively towards the same goal within the legal framework in which they operate.

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<sup>2</sup> See 'OECD Due Diligence Guidance for Responsible Business Conduct' (2018)

<sup>3</sup> As defined in the Norwegian Law on Public Procurement, 2017

- a. Members commit to have in place policies and guidelines appropriate to their size and circumstances, including a policy commitment to respect people, society and the environment, and which covers, as a minimum, Ethical Trade Norway's principles for sustainable business conduct (PART III).
  - b. Members shall work actively with due diligence for sustainable business conduct to prevent breaches of Ethical Trade Norway's principles for sustainable business conduct and to contribute to lasting improvements for people, society and the environment in their supply chain. Members should within the course of two years achieve an objectively defined level of quality in due diligence, referred to as base level.
  - c. Members shall adapt their own purchasing practices with a view to improve conditions for people, society and the environment in their supply chain.
  - d. Members shall support freedom of association and other forms of democratically elected workers' representation.
  - e. Members and their suppliers shall avoid partners that operate in countries subject to international boycott by the United Nations (UN) and/or Norwegian authorities
4. Members shall report annually to Ethical Trade Norway on progress made and future plans on activities and achievements in relation to the above obligations. The report will be publicly available. For the first year of membership, members may choose to not have the report made publicly available.
  5. Members shall pay the annual membership fee.
  6. In accordance with the IEH Statutes, § 8, members who do not meet their membership obligations may have their membership revoked.

### PART III

## Ethical Trade Norway principles for sustainable business conduct (Code of Conduct)

Ethical Trade Norway's principles for sustainable business conduct apply both to members of Ethical Trade Norway and their suppliers. International standards for human rights, labour rights, the environment, animal welfare and anti-corruption shall be respected. Ethical Trade Norway's principles for sustainable business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. The relevant legal framework at the place of production shall be respected. Where national laws and regulations address the same subjects as these guidelines, the most stringent shall apply.

### 1. Forced and compulsory labour (ILO Conventions Nos. 29 and 105)

- 1.1. There shall be no forced, bonded or involuntary prison labour.
- 1.2. Workers shall not be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

### 2. Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

2.1. Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.

2.2 Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

2.3 Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

### 3. Child Labour (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)

- 3.1. The minimum age for workers shall not be less than 15 and comply with
  - i) the national minimum age for employment, or;
  - ii) the age of completion of compulsory education,
- 3.2. whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 3.3. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.4. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- 3.5. Policies and procedures for remediation of child labour prohibited by ILO conventions no. 138 and 182, shall be established, documented, and communicated to personnel and other interested parties. Adequate support shall be provided to enable such children to attend and complete compulsory education.

#### 4. Discrimination (ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)

4.1. There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

4.2. Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

#### 5. Harsh or Inhumane Treatment (UN Covenant on Civil and Political Rights, Art. 7)

5.1. Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

#### 6. Health and Safety (ILO Convention No. 155 and ILO Recommendation No. 164)

6.1. The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.

6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

6.4. Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

#### 7. Wages (ILO Convention No. 131)

7.1. Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.

7.2. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.

7.3. Deductions from wages as a disciplinary measure shall not be permitted.

#### 8. Working Hours (ILO Convention No. 1 and 14)

8.1. Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours.

8.2. Workers shall be provided with at least one day off for every 7 day period

8.3. Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.

8.4. Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

### 9. Regular Employment (ILO Convention No. 95, 158, 175, 177 and 181)

9.1. Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

9.2. All workers are entitled to a contract of employment in a language they understand.

9.3. The duration and content of apprenticeship programmes shall be clearly defined.

### 10. Marginalized Populations (UN Covenant on Civil and Political Rights, art. 1 and 2)

10.1. Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

### 11. Environment

11.1. Negative impact on the environment shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.

11.2. National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

### 12. Corruption

12.1. 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.

### 13. Animal welfare

13.1 Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.

13.2 National and international animal welfare legislation and regulations shall be

respected.