



Transparency and Accountability 2024

*Good practice from due diligence statements by
Ethical Trade Norway member companies*

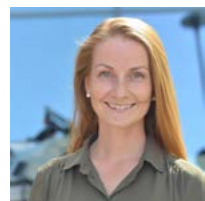
About this publication

Ethical Trade Norway and members have promoted responsible business conduct in global supply chains since 2000. As part of their membership obligations, Ethical Trade Norway members annually report on their progress with due diligence for responsible business conduct. In this publication, we seek to highlight examples of good practice by members in due diligence statements. We hope this publication can be an inspiration for enterprises that will begin the work of ceasing, preventing or mitigating their negative impact on people, animals, society, and the environment.

The examples from the members' reports have been chosen by Ethical Trade Norway's advisors. These examples are excerpts from more extensive reports and only show a limited part of the text. They have been taken out of context and therefore there can be differences in what the person who wrote the report wished to convey and what we have selected for this publication. In addition, most of the examples are translated from Norwegian to English for the purpose of this publication. Even if the chosen examples display good practice, it does not necessarily mean that the enterprise's due diligence report holds the same high level overall. Conducting systematic due diligence does not imply that an enterprise is without negative impacts, but rather that the enterprise is transparent and honest about challenges and manages risk for and actual adverse impact in the best possible way in cooperation with their relevant stakeholders.

We have emphasised that this publication should be practical in use and have chosen to consistently present the following text boxes:

- **Good practice:** excerpts from Ethical Trade Norway member companies' due diligence statements
- **This is good practice because:** Ethical Trade Norway's explanation of why this is good practice
- **Tips:** highlighted tips for the work by Ethical Trade Norway's advisors
- **Ethical Trade Norway's resources:** available resources tied to the relevant theme can be found on Ethical Trade Norway member website



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Preface

Transparency and accountability in challenging times

We live in challenging times characterised by great power rivalry, war and the struggle between democratic and authoritarian values. Public and private enterprises play an important role in protecting universal human rights and acting responsibly. Norway has endorsed the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, last updated in 2023, where a key theme is that companies from OECD countries should not profit from weaker legislation in other parts of the world. Economic activity and global trade create major societal benefits, while the OECD Guidelines expect the private sector to follow the rules of the game for responsible business conduct to cease, prevent and mitigate human rights violations, corruption and harmful environmental and climate impacts. Now that the OECD's model for risk-based due diligence has become "mainstream" for 9,000 Norwegian companies covered by the Transparency Act, and soon up to 6,000 companies in the EU and EEA with the EU's new Due Diligence Directive (CSDDD), it is no wonder that root causes such as weak legislation and large asymmetric inequalities in global supply chains are coming to light.

There are many examples: the risk of forced labour in Chinese supply chains, the risk of child labour in raw material extraction, more than a hundred countries that restrict the right to organise for workers, one billion people who do not earn enough to cover basic needs, and Norwegian companies' supply chains that contribute to maintaining illegal land occupation or financing illegal warfare. The challenges and inequalities become overwhelming, and the more businesses dig into their supply chains, the more they find. We at Ethical Trade Norway would like to give praise to companies that are open about these challenges. A business enterprise will never be done with its due diligence assessments, it is a continuous process that must be incorporated into daily operations. Companies must take their responsibility by systematically managing the risk of and actual negative impact on fundamental human rights, the climate and the environment through prioritised improvement measures.

We are pleased to be able to present the second edition of the publication *Transparency and accountability* as a resource in this work. Our members are obliged to carry out due diligence assessments on human rights, decent work, the environment and climate, corruption and animal welfare, and they must publish publicly on our website an annual report on the progress of their work. Many use the membership report also as an annual account to comply with the Norwegian Transparency Act. In this publication, you will find good practice from Ethical Trade Norway's members' due diligence assessments, and the editorial committee has handpicked examples from 57 member companies' reports for 2023. Hopefully, this can inspire other companies to be more open about challenges and improvement measures in their own operations, in the supply chain and with business partners. We also believe that businesses and stakeholders outside Norway's borders can learn something from our members' due diligence assessments, which is why the 2024 edition has also been translated into English.

At Ethical Trade Norway, we want to support responsible purchasing practices and uphold our 13 principles for responsible business conduct, even as the world becomes even more conflictual. The companies must then carry out even more thorough and stricter due diligence assessments. In 2024, together with our sister organisations Ethical Trading Initiative, Ethical Trade Denmark and ETI Sweden, we have developed [a guide on due diligence in challenging contexts](#), i.e. conflict areas or countries with systematic human rights violations. Companies that operate in or act from these types of challenging contexts must be aware of their responsibility and not contribute to a worsening of the situation. The guide can be a useful tool in the due diligence work, together with Ethical Trade Norway's resources and tools available on the member pages.

Feel free to contact us at Ethical Trade Norway for sparring and advice.

Good luck with your due diligence assessments.

Best regards, Heidi Furustøl



Heidi Furustøl

Heidi Furustøl
Executive director, Etisk handel Norge

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Introduction

Ethical Trade Norway

Ethical Trade Norway is a membership organisation, a multi-stakeholder initiative, and a resource centre for responsible business conduct. We were founded by the business sector, the labour movement, employer organisations, and civil society in the year 2000, and today we have over 200 members from the private, non-profit, and public sectors. Our purpose is to promote responsible business conduct in supply chains to ensure that trade contributes to maintaining human rights, decent work, society, environment, and animal welfare. Our members are committed to working systematically to ensure responsible business conduct and report annually on the progress in their work. Ethical Trade Norway offers each member individual guidance and follow-up, access to courses and seminars, resources and tools, participation in our national and international professional environment with opportunities for skills development and exchange of experiences.

Ethical Trade Norway's guidance and reporting template is based on the two leading international frameworks that define responsible business conduct: the [UN's Guiding Principles on Business and Human Rights](#) and [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#), including the [OECD Due Diligence Guidance for Responsible Business Conduct](#).

When an enterprise becomes a member of Ethical Trade Norway, it commits itself to Ethical Trade Norway's Declaration of Principles. This foundational document is based on international standards for human rights, decent work, environment, anti-corruption, and animal welfare. The 13 principles in the declaration refer explicitly to UN and ILO conventions and set minimum, not maximum standards. Where national laws and regulations cover the same topic as these guidelines, the highest standard will apply. Ethical Trade Norway's sister organisations ETI, Ethical Trade Denmark and ETI Sweden have adopted similar principles. Our members commit themselves to work towards ensuring these standards in their own enterprise and in their entire supply chain. Read more about what the principles entail on our website.

Ethical Trade Norway's 13 principles for responsible business conduct



Forced and compulsory labour



Freedom of association and the right to collective bargaining



Child labour



Discrimination



Harsh or inhumane treatment



Health and safety



Wages



Working hours



Regular employment



Marginalised populations



Corruption



Environment



Animal welfare

Responsible business conduct

Through responsible business conduct, business enterprises and global trade can have several positive contributions to economic, environmental, and social development. This can be through creating employment opportunities and contribute with innovation and solutions that society needs. Responsible business conduct implies that the enterprise maintains regard for people, animals, society, and environment, and comply with the thirteen principles defined in Ethical Trade Norway's Declaration of Principles. As a result of global supply chains' complex nature, responsible business conduct will for most enterprises be an ideal that they will have to work towards every single day. This work requires a systematic and risk-based approach.

The systematic effort enterprises undertake to identify, prevent, mitigate, and communicate how they account for risk for negative impact, as well as provide remediation to people, animals, society, and environment is called due diligence for responsible business conduct. At Ethical Trade Norway we often say that responsible business conduct is the aim, whereas due diligence is the means.

Due diligence assessments

The Norwegian government expects all enterprises, regardless of their size, to complete due diligence assessments and adhere to the UN Guiding Principles for Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act) also requires Norwegian enterprises of a certain size to complete due diligence assessments. In the EU there are also a number of regulations that have either been adopted or that are under negotiation that mandate enterprises to complete due diligence assessments.

Due diligence is the process enterprises have to follow to "identify, prevent, mitigate and account for how they address these actual and potential adverse impacts in their own operations, their supply chain and other business relationships"¹. Potential adverse impacts are often referred to as "risk". In this case, risk always refers to the probability that people, animals, society, and/or environment is negatively impacted by the enterprise's activities.

In the OECD Due Diligence Guidance for Responsible Business Conduct, the due diligence assessments are divided into six steps. This model is also the basis for the core of the Transparency Act.

¹ Definition from [the OECD Due Diligence Guidance for Responsible Business Conduct](#).

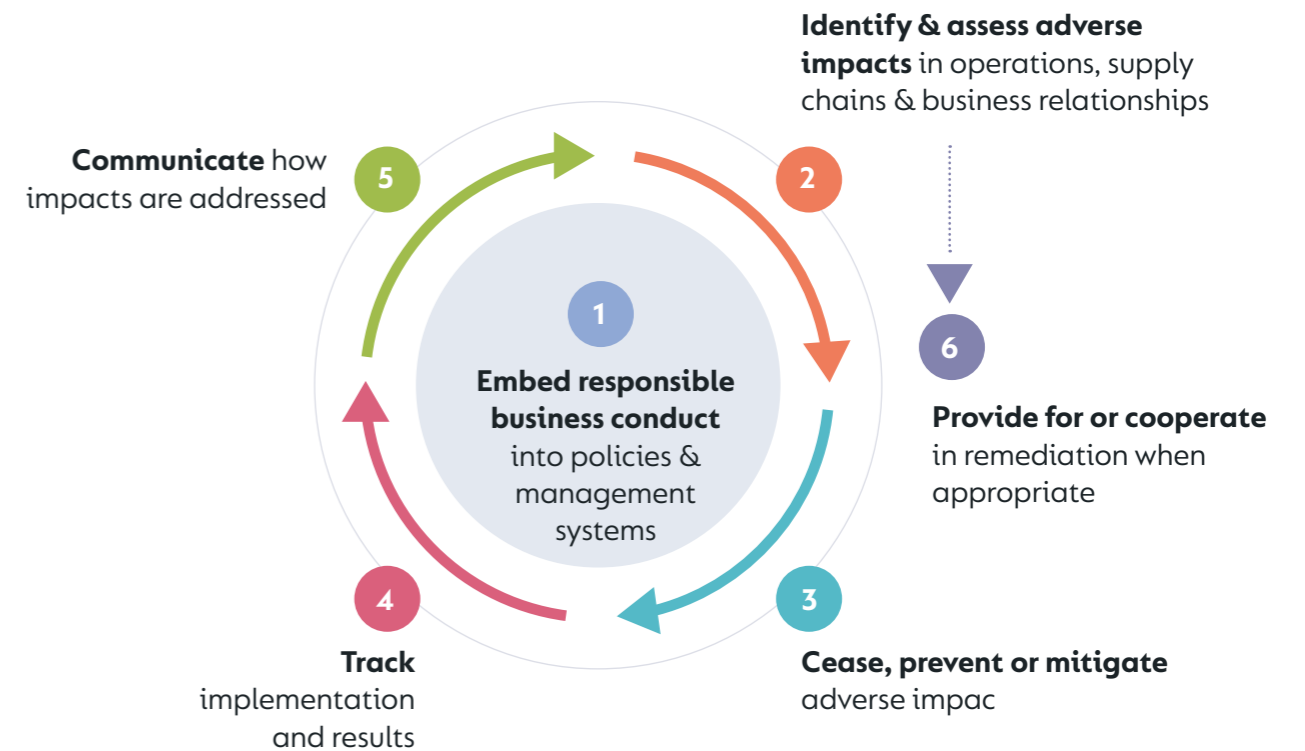
Tip!

Central principles for the [OECD Due Diligence Guidance for Responsible Business Conduct](#).

Due diligence...

- is preventative
- is risk-based and entails prioritisation
- is dynamic
- is strengthened through involvement of stakeholders
- does not shift responsibility
- concerns internationally recognised standards for responsible business conduct
- is dependent on circumstances
- includes continuous communication

Read more about due diligence in [the OECD Due Diligence Guidance for Responsible Business Conduct](#).



Source: OECD

- 1. Embed responsible business conduct into policies and management systems** means that the enterprise has to approve relevant governance documents for the work and these have to be well embedded. They should cover the entire enterprise, the supply chain, and business relationships. The responsibility to complete the work must be assigned and resources allocated.
- 2. Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services** means that the enterprise has to map actual and potential negative impacts on people, animals, society, and environment. The risk mapping must be based on recognised sources, stakeholder engagement, and be risk-based. Risk is prioritised according to salience. The risk assessment must be updated regularly.
- 3. Cease, prevent and mitigate adverse impacts** means using findings from the mapping to implement measures to cease, prevent or mitigate negative impact. Measures can be directly tied to improvements in the supply chain and often entail approving relevant plans and routines.
- 4. Track implementation and results** means evaluating whether the enterprise lives up to their commitments and have implemented effective measures. At this stage, it will be important to establish systems to register and manage information, as well as relevant indicators that can be used to measure improvement.
- 5. Communicate how impacts are addressed means communicating results** and challenges from due diligence assessments internally and externally to stakeholders. It may be necessary to use different channels to reach out to different target groups.
- 6. Provide for or cooperate in remediation when appropriate** means that the enterprise recognises the responsibility of remediation when a negative impact has occurred. Since the enterprise rarely stands alone in responsibility for negative impact, it will be important to use influence and cooperation with others to ensure satisfactory remediation. Stakeholders and affected persons must be involved and the enterprise should have a routine that describes what the enterprise will do in situations where a negative impact is identified. The enterprise should assess which grievance mechanisms are available to potentially affected persons.

The Transparency Act

The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) was adopted in 2021. The act's purpose is to promote enterprises' respect for basic human rights and decent working conditions in relation to the production of goods and services and ensure public access to information about how the enterprises manage negative consequences on basic human rights and decent working conditions (§1).

The Act requires Norwegian enterprises of a certain size to complete due diligence assessments in line with the OECD Guidelines (§4) and publish an official statement of their work each year within June 30th (§5). The Act also requires enterprises to answer written inquiries directed at the enterprise (§§6–7). Ethical Trade Norway's members have received several such inquiries and have received help in answering these where necessary.

The Transparency Act applies to fundamental human rights and decent working conditions. The Act does not directly address climate, environment, animal welfare, or anti-corruption, that Ethical Trade Norway's members are also required to work on. Statements on these areas are also included in this publication, meaning that some examples mentioned in the report will cover a broader scale than the requirements by the Transparency Act.

June 30th, 2023 was the first deadline for statements in relation to the Transparency Act. When the Consumer Authority analysed random samples after this deadline, one company out of five did not meet the requirement of having the statement easily accessible on their websites. Of the statements that existed, the Consumer Authority found several lacking descriptions of negative impacts that were uncovered, in addition to unsatisfactory statements for planned and implemented measures. Through this publication we highlight good practice in these areas under step two and three and hope it can be a source of inspiration for other enterprises to make satisfactory statements on both risk and measures.



Tip!

The Norwegian Consumer Authority's checklist for the Transparency Act (translated by Ethical Trade Norway)

Does our statement meet the minimum requirements for content?

1. General description of the enterprise
 - a. Organization
 - b. Area of operation
 - c. Guidelines and routines
2. Findings
 - a. Actual negative impacts
 - b. Significant risk for negative impacts
3. Measures
 - a. Implemented and planned measures
 - b. Results and the expected results of the measures

Does our statement meet the formal requirements?

1. Layout
 - a. Format
 - b. Signature
2. Disclosure
 - a. Easily accessible on the website
 - b. Reference to the statement in the annual report
3. Deadline
 - a. Disclosed within June 30th
 - b. Updated in cases of significant changes in the risk assessments

Read the Act can be read in its entirety in English at lovdata.no

See the Consumer Authority's websites for further information about control and supervision of the Act: www.forbrukertilsynet.no

The Transparency Act can make a positive difference in working conditions for millions of workers in Norwegian enterprises' supply chains. With the Transparency Act, Norway is at the forefront globally on introducing mandatory human rights due diligence requirements for the private sector. The Act heavily focuses on statements and documentation through answers to the information requirement, but it is important that the enterprises prioritise the actual work with due diligence and measures for improvements tied to actual and potential negative impacts in the supply chain.

New EU/EEA regulations on due diligence

In the EU/EEA area, several new legal requirements will be introduced in the years to come that require the business sector to carry out and report on due diligence assessments. The two key directives in this area are the EU Corporate Sustainability Reporting Directive (CSRD) adopted in 2022 and the EU Corporate Sustainability Due Diligence Directive (CSDDD) adopted in 2024.

The two directives complement each other and overlap in certain areas. The CSRD requires companies to report on the actual and potential impact of the business on people and the environment, and also how sustainability issues affect the business. This is called double materiality. Under the CSRD, covered enterprises must carry out a double materiality analysis based on the due diligence methodology set out in the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. Up to 50,000 companies in the EU/EEA will be covered by the CSRD and are obliged to report in accordance with the European Sustainability Reporting Standard (ESRS) and to certify their report by an independent party.

The concept of double materiality means that a topic must be assessed as significant from two perspectives. One is "significant impact", i.e. actual or potential negative and positive impact a business has on people, society and the environment. The second perspective is financial materiality, i.e. which sustainability topics have or could potentially have an impact on the company's turnover, profits and other financial indicators.

Where the CSRD focuses on reporting, the CSDDD covers all the steps of the due diligence assessment. For example, the CSDDD requires companies to take measures to manage the risk of or actual negative impact, such as ceasing activities or contributing to remedy. The CSDDD is therefore more operationally designed and sets requirements for management systems, complaint mechanisms and that enterprises use their influence.

Where the CSRD covers impacts throughout the value chain, both upstream and downstream, there are certain limitations to the scope of the CSDDD: the company's own operations and the entire upstream supply chain are covered, while only downstream activities related to transport, distribution and storage must be covered by the due diligence assessment. Both directives have severity and probability as criteria for prioritising impacts, although the goal of prioritisation is different: under the CSRD, significant topics for reporting are prioritised, while under the CSDDD, priority is given to the risk of and actual negative impacts that must be addressed with corrective measures.

Regarding stakeholder dialogue, the CSDDD requires dialogue with affected stakeholders at each stage of the due diligence assessment. The CSRD recommends that the double materiality analysis be informed by due diligence assessments and by dialogue with affected stakeholders. Both the CSRD and CSDDD give management and board legal responsibility for due diligence assessments. Both directives also give supervisory authorities in the EU/EEA a mandate to sanction companies that do not comply with the requirements.

Good practice from members' statements

This publication is a collection of good practice from Ethical Trade Norway's members' statements of due diligence. Most of the information is retrieved from reports to Ethical Trade Norway for 2023, and some is also derived from the enterprises' websites or sustainability reports. Ethical Trade Norway has chosen the following examples because we believe that they describe the operationalisation of each step in due diligence assessments in a good way and show the potential that lies in well executed due diligence assessments.

Step 1

Embed responsibility in policies and governance systems

Embedding responsibility in the enterprise entails having approved relevant policies and guidelines and having effective governance systems for their implementation. A central aspect of this is the enterprise's work with due diligence assessments. This implies having, among other things, strategies and plans for how the enterprise will identify and manage negative impact/harm to people, society and environment, through business relationships and in the supply chain. A clear expectation from top management, as well as a definite placement of responsibility for the implementation of the different parts of work with due diligence is important. Everyone involved must know their responsibility. The work with sustainability should be an integrated aspect of the operations. Transparency about what the enterprise has committed itself to, eventual challenges and how these are managed, is essential.

Policy for responsible business conduct

The first and fundamental step is developing and adopting a policy for the enterprise on responsible business conduct. This policy must cover areas such as human rights, decent working conditions, climate, environment, animal welfare, and corruption. The policy expresses what the enterprise is committing itself to and should be clear in stating what suppliers and other business relationships can expect from the enterprise.

A policy for responsible business conduct is a governance document that lays the grounds for further work. It is therefore important that the policy is made publicly available on external websites and that it is actively used to raise awareness for both internal and external stakeholders. It should be made available in relevant languages and can also be tied to significant risk areas.

The policy should inform which principles the enterprise commits itself to respect, and preferably with reference to internationally recognised conventions. It should also contain a description of which expectations and requirements the enterprise has towards its suppliers and other business relationships, and how the enterprise works to address and follow this up. It is especially important that the enterprise commits itself to a business and procurement practice that strengthens and does not undermine the supplier's ability to deliver on requirements and expectations.



Ethical Trade Norway's resources on Step 1 – Embedding

- Template for Policy for responsible business conduct (Norwegian and English)
- Template for Guidelines for Suppliers (Norwegian, English, and Chinese)
- Template for Minimum Criteria for Suppliers (Norwegian and English)
- Template for Sustainability Strategy (Norwegian and English)
- Template for Action Plan for Sustainability Work (Norwegian and English)
- Template for internal routine for due diligence assessments
- Template for organisational chart
- Template for guidelines for animal welfare

Møller Mobility Group AS is a family-owned corporation that handles import, sales, service, and financing of cars and new mobility solutions in Norway, Sweden, and the Baltic States. They introduce their [Sustainability policy](#) in this way:



Møller
Mobility Group

This document supports Møller Mobility Group's ambition to integrate sustainability across all countries and business areas in the enterprise and summarized our most important commitments and goals. The policy focuses on the environmental, social, and economic dimensions of sustainability. All employees, managers, suppliers, partners, and other stakeholders should be aware of this policy when they are engaged in Møller Mobility Group AS' business practice or delivering products and services to Møller Mobility Group AS.



This is good practice because:

- The enterprise's sustainability policy supports their ambition.
- It is expected that all employees will be aware of the policy when they are engaged in MMG AS' business practice or are supplying services to them.

Tip!

An enterprise's policy for responsible business conduct is a commitment on behalf of the enterprise of maintaining consideration to people, animals, society, and environment. The enterprise's guidelines for suppliers (Supplier Code of Conduct) often set many of the same requirements to suppliers and business partners. The documents have a different target audience and both are important as the basis for the work with responsible business conduct.



The textile service and laundry business **Nor Tekstil AS** introduces its Policy for responsible business conduct in this way:



Nor Tekstil's vision is to become the best in the world at innovative and sustainable textile service. The vision is embedded in a clear ambition from the enterprise's board, owners and management that Nor Tekstil's value creation and development will occur in a responsible manner that respects people, society, and the environment.

This policy document lays the grounds for our work with sustainability.

Nor Tekstil views responsible business conduct as a prerequisite for sustainable development, which entails that today's generations have their needs met without destroying future generations' possibilities to have theirs met.

Our policy for responsible business conduct is built around the UN's Sustainable Development Goals and principles based on UN and ILO conventions.

The policy was approved by Nor Tekstil AS' board 15.12.2021.



This is good practice because:

- The enterprise has a clear ambition that "value creation and development" will occur in a responsible manner.
- The enterprise bases its commitment on recognized principles based on UN and ILO conventions.
- The policy is approved by the board.

The flower chain **Mester Grønn AS** has included the following important commitments in their Policy for responsible business conduct:



Due diligence assessments

Mester Grønn will complete due diligence assessments for responsible business conduct. This entails: completing our own risk mapping of negative impacts on people, society, and the environment, and stop, prevent, or limit such impact. The measures are monitored and their effect is evaluated, and communicated to those affected. Where our activities cause or contribute to negative impact on people, society, or the environment we will stop this activity and seek to remediate the harm. Where suppliers are responsible for the negative impact/harm, the supplier is also responsible for remediation.



This is good practice because:

- The enterprise commits itself to completing due diligence assessments for responsible business conduct.
- The enterprise informs about which processes are included in this work.
- The enterprise recognises its responsibility to remediate in cases where negative impacts occur.

Trimtex AS is a supplier of active clothing for clubs, teams, and businesses. They commit themselves to responsible purchasing practices, freedom of association and worker representation, as well as supplier development and partnership in their Policy for responsible business conduct:



This is good practice because:

- The enterprise commits itself to adjust its own purchasing practice to strengthen suppliers' possibilities of meeting requirements.
- The enterprise actively supports the right to freedom of association.
- The enterprise will consider contributing towards relevant competence development for suppliers.



Responsible purchasing practices

Trimtex considers responsible purchasing practices to be one of our most important tools for responsible business conduct. Trimtex shall adapt our purchasing practices in order to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society and the environment. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain.

Freedom of association and worker representation

Trimtex supports the right to freedom of association and other forms of democratically elected worker representation. We shall involve worker representatives and other relevant stakeholders in our work with responsible business conduct.

Supplier development and partnership

In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our suppliers to comply with Trimtex' requirements related to responsible business conduct. This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society and the environment in the supply chain.



Tapwell AS is a supplier and producer of mixer taps with accessories for kitchens and bathrooms. They write the following about the development and embedding of their policy in their due diligence report for 2023:



Tapwell AS policy is in line with Ethical Trade Norway's Declaration of Principles. It was developed in discussion with the enterprise's board and management, with origin in Tapwell's values.

Tapwell AS works closely with Tapwell AB who has the main contact with our suppliers. Our policies are developed in discussion with the corporation management and relevant stakeholders in Sweden to ensure compliance and proper embedding. Especially the procurement department and Product Manager responsible have been involved together with those responsible for sustainability in respective organisations. (...).

Our governance documents and policies are available for all employees and embedded in all parts of the enterprise. The policy is viewed as a living product, which will be assessed annually. We complete meetings regarding the enterprise's sustainability work across country borders as well as through Tapwell AS's own working group to ensure an actual and embedded policy.



This is good practice because:

- The policy is developed in discussion with the corporation management and relevant stakeholders to ensure embedding.
- Central internal functions have been involved, such as the procurement department and Product Manager.
- The policy is viewed as a living document that is assessed annually.

Europris ASA is one of Norway's leading low cost chains with a wide assortment of goods. To strengthen the embedding of foundational documents on sustainability, Europris has started a project on "giving life" to policies. They write the following about this project in their report on due diligence assessments for 2023:



A project on giving life to policies was initiated in 2022 in order to strengthen their anchoring across the organisation. This project identified which policies are relevant for what roles and will ensure the necessary reviews and training where required. The group's core values and code of conduct are regularly and clearly communicated to the employees for use as guidelines in their daily work. Mandatory and easy-to-understand online training was introduced in 2023 for all employees to ensure that the guidelines are understood.



This is good practice because:

- The project ensures that relevant functions get the necessary training in the policies.
- In 2023, the company started mandatory digital training in relevant guidelines.

Embedding policies and guidelines

The enterprise's policies and guidelines must be embedded in management and governance systems to ensure that these will be an integrated part of ordinary business operations. The board has the superior responsibility for the enterprise's operations, including that the enterprise complies with current regulations and norms for responsible business conduct. It is therefore important that both policy and guidelines are approved by the board. In addition, it can also be relevant to

update foundational documents accordingly as the enterprise works more with due diligence and acquires more information.

Good embedding of internal guidelines and policy documents is important for the documents to add value and not only remain a desk exercise. It is therefore relevant with regular training and education on the content and significance of such a policy, and training in the documents for relevant functions.

The need for thematic policies

Enterprises that have set ambitious goals for responsible business conduct might see the need for theme-based or more targeted policies, that make it possible to go more in depth on each commitment. Examples of this are:



Policies and statements – Varner

- Supplier Code of Conduct
- Varner Internal Code of Conduct
- Responsible Sourcing Policy
- Modern Slavery Policy
- Child Labor Policy
- Migrant labor Policy
- Homeworker Policy
- Animal Welfare policy
- Anti-bribery policy
- Sandblasting policy
- Restricted Substances List
- Paper Packaging Policy
- Varner Environmental Policy



Transparency and guidelines

- Policy for responsible business conduct
- Guidelines and Requirements for Suppliers
- Migrant worker policy
- Home worker policy
- Animal Welfare Policy
- Restricted Substances List



Policies – Orkla ASA

- Sustainability and responsible business practices
- Code of Conduct
- Supplier Code of Conduct
- Orkla Human and Labour Rights Policy
- Orkla's zero deforestation policy
- Tax strategy
- Orkla's Policy on GMOs
- Nature and Climate Policy
- Business Partner Code of Conduct

Organisation and internal communication

To complete the work with due diligence in the enterprise in a satisfactory way, it is important with appropriate organisation and clear lines for internal communication. A person in management with overall responsibility should be assigned, as well those responsible for implementation and daily follow-up of the due diligence activities. Reporting lines and routines must be defined and made known, so that management regularly gets information about activities and results and are able to take well-informed decisions.

The best result occurs when responsible business conduct is an integrated aspect of the enterprise, and the work should therefore be organised thereafter. It can be difficult to know who and how many should be involved, and how often. Involvement will likely change along the way depending on the goals and ambitions that the enterprise has set. Regardless, it is important with an internal stakeholder analysis that reveals who should be involved, why, and how. Management, and those who work directly with suppliers (both intermediaries such as agents and producers) must always be involved, and functions such as sourcing, procurement, design, quality control, sales and marketing should also participate in the work.

When the enterprise has started the work, it can often be a good idea to establish a working group or a team across functions or departments. Those directly involved in the work must get basic training. Employees with responsibility of contributing to responsible business conduct must get information and necessary training adapted to the tasks they are set to manage. Further, employees must be made aware of who has decision-making authority and who is involved and what can be expected from management and employees. Eventually, the board should measure the enterprise and relevant employees on key performance indicators (KPIs) on responsible business conduct and review the work and the effect of the enterprise's strategy on this area.

Norwegian Concept designs and develops leisure, sport, and children's clothing. They describe their internal distribution of responsibility in the following way:



NORWEGIAN CONCEPT

We have a Sustainability Manager in a 100% position that is dedicated to the sustainability work. We are under the impression that having a dedicated position will allow for more room to keep ourselves updated on the field and see the red thread and correlation in how we work with sustainability. The Sustainability Manager is responsible for the enterprise's due diligence assessments and reporting on this work.

To ensure that sustainability does not remain a side function but is rather integrated in the thought processes through the entire enterprise, we additionally have the Sustainability Committee. The Sustainability Committee is headed by the Sustainability Manager and has four annual meetings. In this committee, all relevant departments are to be represented to ensure an interdisciplinary approach, a better flow of information back to the departments, and better embedding and feeling of ownership to the sustainability work. In 2023, the committee entailed the Sustainability Manager, the CEO, Head of Production (department leader for procurement and design), a digital marketer, a person in sales, and HR. (...) In the committee, the main focus is our work with due diligence, as well as the action plan with clear measures to follow up the due diligence assessments. The members are responsible to bring relevant information back to their own departments, and the CEO is responsible for presenting the information to the board.

Responsibility tied to due diligence is included in the job descriptions for all relevant employees, including managers, designers, and purchasers. This responsibility is followed-up in all performance reviews.



This is good practice because:

- The enterprise has a position dedicated to sustainability work, and focus on this being an integrated part of the work.
- All relevant departments are represented in the Sustainability Committee to ensure integration of the work.
- Responsibility tied to due diligence is included in job descriptions.

Millba AS is a bakery for production of American-style cakes and describes its internal organisation of the work with due diligence as follows:



The administrative director has decision-making authority, but the Quality Manager has been selected to lead the work with due diligence and is responsible for ensuring that everyone in the enterprise has the necessary information to make sure that sustainability is considered in all assessments and decisions. One example could be purchasers (Logistics Manager and Production Planners) acquiring sufficient information from possible suppliers to be able to assess cooperation towards responsible business conduct. And that everyone is made aware of the enterprise's policy and Supplier Code of Conduct. The Quality Manager reports annually to Ethical Trade Norway.

In cooperation with purchasers, the Quality Managers risk-assess the suppliers that have been evaluated to contain the greatest risk for negative impact/harm to people, society, and the environment.

In monthly management meetings, sustainability and due diligence is a regular topic.



This is good practice because:

- The enterprise has clearly defined who is responsible for due diligence, and the work is completed in cooperation with those that have the closest communication with suppliers.
- Sustainability and due diligence is a fixed agenda topic in monthly management meetings.

ITP Holding AS is a supplier of production, purchasing and assembling services from Asia, with strategic knowledge on metal, plastic, and technical textiles. The company describes the organisation of the internal sustainability work as follows:



This is good practice because:

- The enterprise's policies are integrated in daily routines.
- A specialised team that sits close to the supply chain has responsibility to oversee and support suppliers in connection with risk and measures.
- The enterprise is attentive to the importance of sharing experiences across departments and sectors in the business.



The CEO, department managers, and the Communication and CSR Coordinator have the responsibility to update and secure the integration of the company policies into the daily routines.

Our compliance team located in China consists of ethical trade specialists, ISO quality management, and chemical specialists. These individuals work with different department managers for the daily business and take care of supplier audits. Therefore, they have an in-depth knowledge of daily procedures, supplier relations, and local conditions in the areas where we operate. As part of the compliance team, it is their responsibility to supervise and support our suppliers. Furthermore, they are required to secure upward internal communication about issues or potential risks of negative impacts on people or the environment, identified during audits or found out by our staff, the factory staff, or other stakeholders.

As an international company, one of our most important aspects is that international collaboration is supported to avoid functional silos and to secure knowledge sharing across our company sections. We find it essential that all employees understand, pay attention to, and are honest about risks, gaps, and potential areas of improvement. This is important to ensure our business development happens responsibly.

Mester Grønn AS is Norway's largest fully owned flower chain. They describe their internal organisation of the work as follows:



This is good practice because:

- The enterprise provides specific details about who has the responsibility for sustainability and the completion of due diligence assessments.
- The enterprise has developed a purchasing manual where all purchasing processes are documented, that describe due diligence assessments in relation to country, products, material, and processes.



The work with responsible business conduct is divided between CEO, Purchasing Director, Market Director and HR Director. (...) A sustainability group consisting of the Purchasing Director, the HR Director, and the Environmental Director has been established and they regularly have reviews tied to sustainability. The Purchasing Director, Purchasing employees/ category managers and the HR Director has the main responsibility of completing due diligence (...).

A purchasing manual has also been developed, where all our purchasing processes are documented. (...) The Purchasing Manual, which is actively used by all purchasers, describes in detail which due diligence assessment is to be made in relation to country, product, material, and processes. Checklists, forms, and templates have also been developed.



For the organisation to be clear, it is important that tasks relating to sustainability and due diligence assessments are specified in job descriptions, and that employees are reviewed on this.

Orkla House Care AS encompasses six brands that offer painting tools and accessories for do-it-yourself use and professional painters. They have implemented such a review of employees in the following way:



This is good practice because:

- The enterprise reviews employees' responsibility within among other things sustainability and due diligence through personal development plans and goals and action plans.
- Line managers ensure that job descriptions are updated and in line with the certain person's tasks.



All employees have job descriptions describing tasks and responsibilities for their role. For roles that have specific responsibilities related to sustainability and responsible business conduct, this is included in their job description. In addition, sustainability and responsible conduct topics (e.g. tasks, projects, competence development) are being addressed in Personal Development Plans (PDP) with goals and action plans. The PDP is being followed up in frequent meetings with line manager. Line managers are encouraged to ensure job descriptions are reviewed in the PDP-meetings in order to ensure updates are efficiently implemented and that the job descriptions are up to date. As we mature and progress in the areas of responsible business conduct, and due diligence in particular, we aim to formalize roles and responsibilities even further to both include the wider organization and also clarify these areas in greater detail in e.g., job descriptions and work tasks.

Gyldendal ASA is a corporation in the Norwegian book sector with subsidiaries in several tiers of the value chain, from publisher and content production, to trade, marketplaces, services, and distribution. In their 2023 report on due diligence, they describe that the corporation management has the overall responsibility for work with sustainability, while the Sustainability Manager has the operative responsibility for development of strategies, governance documents, advising, and internal capacity building. In the work with due diligence assessments, employees with contract and procurement responsibility have a particular responsibility that they describe as follows:



Employees with contract and procurement responsibility are responsible for:

- Getting acquainted with internal policies and routines related to the work with due diligence assessments.
- Ensuring that Gyldendal's Supplier Code of Conduct, where we describe our perspectives and suppliers' commitments, is communicated in writing to the contracting party.
- Ensuring that suppliers understand their responsibility and sign the Supplier Code of Conduct.
- Making sure that signed documents together with contracts are uploaded to Sharecontrol.
- Contributing to the work of collecting data from suppliers in the work of risk mapping.
- Following up necessary measures with suppliers as a result of the risk mapping.
- Inviting the Sustainability Manager to relevant dialogues with the suppliers where social and environmental conditions are being reviewed.



This is good practice because:

- The superior responsibility is placed with the corporation management, and the operational responsibility is placed with the Sustainability Manager.
- Clear areas of responsibility that are communicated to employees with contracting and procurement responsibility through an internal routine for due diligence.

An appropriate internal organisation and clear distribution of responsibility also entails ensuring that the employees have sufficient competence to complete their tasks. Here, training and systematic sharing of experiences play a central role. The following text displays excerpts of how **Unil**, **Bryndal**, and **Felleskjøpet Rogaland Agder (FKRA)** have described this in their reports.



Training within sustainable trade is mandatory for all new hires regardless of their department and position. The internal training is mainly completed by the Head of Department for Sustainable trade, but the training can also entail courses and classes from external experts. (...) In 2022, we developed mandatory online course in responsible procurement practice that all employees in the main office, as well as all salespeople and relevant employees in the warehouse must complete.



We have completed an own class organised by Ethical Trade Norway for all employees in procurement and product development. In addition, we also have resources for increased and updated competency through our membership in Ethical Trade Norway and other relevant networks and cooperations. The Procurement Director ensures to involve all relevant resources, together with the Sustainability Manager, for relevant procedures, risk assessments, and policies tied to due diligence.



All new hires must complete internal courses, Ethics and Sustainability in FKRA – "Why we care". This course covers what a sustainable business model is, the connection to the UN's 17 Sustainable Development Goals, ethics and sustainability in FKRA as a part of the strategy plan, how the work with due diligence is going in relation to our ethical guidelines and procedures and our membership in Ethical Trade Norway (ETN) and our commitments. (...).

In addition to internal courses, all relevant employees are offered external courses. This has currently been courses completed by ETN, DNV, and Factlines.

Strategy and action plan

To show the enterprise's level of ambition for the work with responsible business conduct, the enterprise should approve a strategy or ambition, and set overarching objectives for the work. The strategy must be tied to the enterprise's other strategies for business development and embedded in management and the board. There are also potential business opportunities in such a strategy, by adjusting business models, finding new and innovative solutions, or choosing sustainable products that

reduce the risk for negative impact on people, society, and the environment. Eventually, as the enterprise does more due diligence work, the strategy should be tied to their specific risk for negative impact on people, animals, society, and the environment. The process of developing such a risk-based strategy should include a wide selection of stakeholders and the strategy must be reviewed when necessary. Some examples of strategic ambitions tied to due diligence:

The overarching ambitions should also be divided into subgoals, preferably in an action plan. In the beginning, the action plan might include setting goals or measures tied to embedding governance systems, before starting to include mapping and managing of risk and possible remediation of harm. The progress towards a goal in the action plan should be reported to management in regular intervals, e.g. quarterly. Proper internal embedding and good progress on both strategies and action plans is dependent on effective internal

follow-up and reporting. The enterprise's board and employees must be made aware of what has been approved, what has been completed, what was successful, and what was difficult to implement. To ensure that the board makes good decisions, they must know about both risk and possible measures, and about what has and has not worked (see Step 4 Track). Key performance indicators (KPIs) should be established to ensure progress in the work.

Hennig Olsen Is AS has divided its sustainability strategy into three main areas: Climate and the Environment, Health, and People. Within each of these areas action plans are developed. The company discloses the following about how this is done in their 2023 report:

Strawberry

Procurement strategy 2030 – Strategic priorities (from report to Ethical Trade Norway for 2023)

- Promote workers' rights, working conditions, and fair and equal treatment through our entire supply chain.
- Reduce our CO2 emissions by half from purchased goods and services.
- Secure processes and routines that improve cooperation and open dialogue with suppliers, business relationships, and civil society.

CAMILLA PIHL


Excerpt from 2030 ESG Goals (from report to Ethical Trade Norway for 2023)

Transparency and Traceability
Work with suppliers who share out commitment to sustainability.

Disclose tracking information about the materials and processes used to make our garments.


Mindful choices
Source and use less impact and more sustainable materials.

Consider eco-conscious packing
Invest in sustainable design.



Ambition (from Felleskjøpet's Sustainability Strategy)

Felleskjøpet Agri will work systematically with sustainability in the entire supply chain, and emphasise increased transparency and traceability. The Sustainability Strategy points to measures within transparency, dialogue with suppliers, environmental certifications, and packaging to achieve the goals. In Felleskjøpet Agri, there are goals to reduce the number of suppliers, to simplify and improve the operation, as well as ensuring a better control of suppliers and supply chains.





This is good practice because:

- The enterprises commit to an overarching ambition to work with responsible business conduct.
- The ambition is a part of a comprehensive sustainability strategy with specific, time-bound objectives that steers the direction of the work.
- The ambitions are operationalised in specific plans and measures that should ensure progress.
- It is also positive to tie the ambition to the UN's Sustainable Development Goals.




From the revised strategy, we developed specific targets and corresponding activities in an action plan to achieve these. It has been important for us to have both short-term and long-term goals. A specific example of this is the reduction of water usage per liter ice cream produced. Here, we have established a team that manages measures revealed through workshops. (...).

We have a sustainability team where the responsibility for the strategy is divided and where we regularly meet to discuss progress on the goals and activities, in addition to the participants sharing relevant information from their areas of responsibility. The director for Business Development, who also sits in management, participates in the sustainability team meetings and ensures that relevant cases are discussed or presented in the weekly management meetings.



This is good practice because:

- The enterprise divides the sustainability strategy into both short-term and long-term goals.
- The enterprise has set off resources to follow up measures to achieve their goals.
- Relevant cases are addressed in leadership meetings.



Melbye Group AS, supplier of products within energy, infrastructure, and installations reports the following about their action plan:



The **action plan** (the annual wheel) for sustainability is revised and assessed twice per year by CEO, Chief Supply Chain Officer, and Sustainability Manager. This group further decides priorities, status, responsibility for embedding and implementing, as well as completion and reporting intervals. The results are presented annually. In addition to this, relevant sustainability themes are discussed at Melbye's various department meetings, to ensure progress toward our strategic areas and goals. The Sustainability Manager reports on the development of the sustainability agenda for management of the corporation and the board, and presents plans, activities, and results to the board at least once per year.



This is good practice because:

- Management and senior positions have a responsibility to revise and assess the action plan twice per year.
- Priorities in the action plan are embedded within leadership, where they also divide responsibility for implementation.
- The Sustainability Manager presents plans, activities, and results to the board at least once per year.



Orkla ASA has clear and constructive guidelines for its suppliers that have been translated to several relevant languages:



Supplier Code of Conduct

Introduction

The **Orkla Group** strives to conduct business in a responsible manner, based on the duty to respect human rights and labour rights. As such, Orkla strives to take care of people's health and safety, protect the environment, prevent corruption, and apply sound business practices throughout our operations.

Our suppliers and partners can expect that our purchasing practices stand to strengthen, rather than undermine, their ability to deliver on our requirements relating to people, society, and the environment.

To make Orkla's position clear to our suppliers, we have set up this Code of Conduct (hereinafter referred to as "CoC"). This CoC is based on the Universal Declaration of Human Rights, the ETI Base code, UN Global Compact's 10 principles for sustainable development, the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, to which Orkla is committed. The CoC has been approved by the Orkla Management Team.

Orkla will, when selecting suppliers, in addition to other quality elements and commercial aspects, consider compliance with this CoC. The CoC outlines a minimum standard of conduct. We expect that our suppliers always try to exercise good judgement, care, and consideration by following both the requirements and the intentions of the CoC. Furthermore, we expect our suppliers to be transparent and have an open dialogue with us about challenges they encounter as part of their operations.

When this CoC has been communicated to a specific supplier, it shall be regarded as a contract document and as an integral part of any contract entered between the Orkla company and the supplier in question. (...)

Expectations and requirements for suppliers

Partnerships and collaboration with business partners and suppliers (both producers and intermediaries) is key in the work with responsible business conduct. Long-term and predictive relations with suppliers is important to build trust and improve relationships in the supply chain. Guidelines for suppliers (Supplier Code of Conduct) lay the foundation for the collaboration and summarises the expectations and requirements that the enterprise set for their business connections. In addition to setting requirements about the compliance of principles of responsible business conduct, the guidelines should also mention the governance systems that are expected to ensure compliance with the principles (including the suppliers due diligence assessments), and what happens in the case that these expectations are not met. The document should be included in contracts with suppliers, and is the basis for following up risk for, and actual breaches on the guidelines.

The enterprise should also be explicit about what happens in the case where breaches of rights and environmental standards are uncovered. If the supplier shows lacking will to handle negative impact or risk, suspension or breaking of the contract can be a consequence. Ending a supplier relation should always be the last way out and should only be done after attempts of cooperation about improvements. Where it is necessary to end business relations, it is important that this is carried out in a responsible manner. In such situations, dilemmas about what is best in short and long term often arise. It is therefore important to have a good dialogue with different stakeholders (those that will be impacted by the decision) to build a sufficient understanding before the potential decision to end the business relation, so that a potential negative impact on people, animals, society, and the environment resulting from the cancellation of the contract can be prevented.



This is good practice because:

- The enterprise specifies that compliance with CoC is a criterion when new suppliers are chosen and that CoC lays the foundation for a minimum standard.
- The enterprise expects suppliers to be transparent and participate in dialogue about challenges.
- Code of Conduct is an integrated part of every contract between the enterprise and the suppliers.

Ahlsell AS delivers products and services within heating, ventilation and air conditioning; plumbing, electronics, tools and personal protective equipment. In their Supplier Code of Conduct they have summarised their expectations to suppliers the following way:



ahlsell

To ensure that you, as a supplier, meet the requirements in our code of conduct you should:

- Establish clear policies and/or guidelines that address human rights and prohibit child and forced labour.
- Perform due diligence involving risk assessments and plan for remedy to reduce possible negative impact on people, society and environment.
- Ensure that the legal age is verified for each new employee.
- Respect freedom of association in all countries where you have operations and ensure that there are routines for safe guarding worker's rights in countries where affiliation with unions is prohibited by law.
- Investigate conflict minerals in the value chain and avoid suppliers who are unable verify respect for human rights during extraction.
- Respect and comply with national guidelines on minimum wages, working hours and overtime pay, as well as global agreements on workers' rights.
- Establish a plan to counteract discrimination and harassment.
- Ensure that relevant staff receive the right training to safeguard labour rights and combat discrimination, harassment and harsh or inhumane treatment.
- Ensure that production and the use of natural resources does not contribute to the destruction or degradation of the resources and income base for marginalized populations.



This is good practice because:

- The enterprise has clear expectations for their suppliers which are summarised and defined at the beginning of the guidelines for suppliers (Supplier Code of Conduct).
- Expectations are summarised as a sort of checklist against which the supplier can assess its own practice.

Skogstad Sport AS produces and sells sports and leisure wear. The company describes how they use governance documents to strengthen cooperation with their suppliers in the following way:



SKOGSTAD®

All new suppliers must read, understand, and sign a document package consisting of three documents. "Guidelines for suppliers", including the enterprise's ethical guidelines, is one of three important documents in this package. The other two documents are "Restrictions on the use of chemicals harmful to health and the environment" and "Minimum criteria for suppliers". Skogstad values long-standing and stable supplier relationships, and although we set clear requirements to the suppliers, there is always room for insight and discussions for the "best solutions".

The board has approved that responsibility and sustainability will be themes present in all new contracts and cooperation agreements. When it comes to the supply chain, there are clear requirements concerning responsibility and sustainability through current governance documents. The Sustainability Manager participates in visits to the factory, where meetings to discuss cooperation, challenges, and compliance with the requirements are held. In August 2023, the enterprise also completed a supplier survey to acquire better insight, as well as give the suppliers the opportunity of giving feedback on routines and practices. This gave valuable insight about the challenges suppliers face, and a better starting point to find good solutions together.



This is good practice because:

- All suppliers must read, understand and sign the Supplier Code of Conduct.
- The enterprise uses the guidelines as a starting point for dialogue about sustainability, compliance, and challenges.
- The enterprise has undertaken supplier surveys to understand challenges faced by suppliers.

Minimum criteria for suppliers

The enterprise should also have an internal routine or plan that addresses cooperation with and the follow-up of suppliers. The routine should include the enterprise's minimum criteria for selection of, and cooperation with, suppliers. The minimum criteria should lay the foundation for pre-qualification of suppliers, and may also address criteria for choice of products, raw materials, sourcing countries etc. Both in new and existing

business relationships, it is important that the suppliers get information about the enterprise's expectations towards them, as well as goals tied to responsible business conduct. This entails how to work towards achieving common goals and what this implies for the future cooperation between buyer and supplier. The enterprise should therefore signalise that cooperation for preventing and reducing risk is expected, as well as the development of more sustainable solutions.

In addition to having clear expectations to their suppliers, as shown in the previous example, **Ahlsell AS** also works towards implementing a tool to pre-qualify suppliers. They write the following in their report:



This is good practice because:

- The enterprise established a new system for assessing new suppliers.
- The pre-qualification is done according to the risk mapping for the service or product that is delivered.



ahlsell

In relation to Ahlsell's "Supplier Management Process – "ASRM" suppliers will be pre-qualified before a contract is signed. This pre-qualification tool is under implementation. The pre-qualification and self-evaluation of suppliers is completed in relation to the risk mapping for the relevant service, or product, that is to be delivered. To ensure that suppliers comply with the contract, we are developing an annual plan for supplier revision. The plan is developed from the results of the pre-assessment and self-evaluation and has focus on suppliers that belong to the "high" or "medium" risk category.

In their 2023 report, the textile design enterprise **Blåbær Production AS** describes how they reward suppliers that can show social and environmental improvements, as well as what is included in their minimum criteria for cooperation with suppliers regarding freedom of association and worker representation:



This is good practice because:

- The enterprise describes how they reward suppliers that show will and ability to work with improvements.
- They are clear in their expectations toward suppliers regarding social and environmental factors.



**BLÅBÆR
PRODUCTION**

We have for several years been prioritising suppliers that work targeted and actively for social and environmental improvements. We think that the most effective and important incentives for suppliers that are improving, are long term relationships and increased order quantities. As we regularly communicate to our suppliers, sustainable improvements are among our most important criteria for collaborations, but also when planning and evaluating upcoming production, order placement and quantity. We are clear towards our suppliers regarding our requirements and expectations of social and environmental improvements. If these are not met, a collaboration is not sustainable and thus not taken further. Similarly, suppliers who show improvements and progress, will be prioritised for further order placement and collaboration.

The textile enterprise **Norwegian Concept AS** describes their routine for selection of suppliers as follows:



This is good practice because:

- The enterprise addresses its suppliers as partners, which supports the idea of it being a joint partnership.
- Requirements for suppliers tied to sustainability are equal to other factors, such as “quality, cost, and ability to cooperate”.
- The enterprise has a routine for starting each supplier meeting by going through key documents for responsible business conduct.



**NORWEGIAN
CONCEPT**

The importance of responsible business conduct is already a focus for us in the assessment of new potential partners. We have a routine for the selection of partners, where requirements and preferences tied to sustainability (e.g., audits and certifications) are emphasised to the same degree as other factors, such as quality, cost, and ability to cooperate. We send out a survey to potential partners to map which audits, certifications, and more sustainable materials they have, as well as their work with/ attitude towards sustainability, which again inform our decision on whether to enter a partnership with them or not.

Before the development of products can begin, new partners must sign the General Supplier Contract, which includes our Guidelines for Suppliers/CoC and Restricted Substances List (RSL) for chemical use which they commit themselves to complying with. We also have an introductory meeting where we go through our Code of Conduct, the Chemical Guide, the Transparency Act/ Regulations tied to textile, and where we seek dialogue on areas where the partner potentially feels unsure / has difficulties in complying with our guidelines. In this meeting, both sides also present their work on sustainability and focus areas within sustainability as a part of getting more familiar with each other.

Holzweiler Items AS is a Norwegian clothing brand founded in 2012. They have a comprehensive onboarding process for new suppliers and set numerous specific minimum criteria which they discuss in their report. They write also write the following about how they assess their new suppliers in relation to the criteria:



This is good practice because:

- The enterprise is disclosing which factors they assess when selecting new suppliers.
- These criteria inform supplier assessments including new contracts of cooperation or potential rejections.



HOLZWEILER

How we evaluate:

After receiving all documentation, the potential partner will be evaluated after the following criteria:

- A total assessment of the supplier`s compliance with our Code of Conduct, put in context with local laws and risks in the country of production.
- Willingness to share information on subcontractors and production processes.
- Policies and measures in place to ensure decent working conditions.
- Production processes that reduce negative environmental impact.
- Access to sustainable materials.
- How the cooperation would affect on our sustainability targets.
- Dialogue and the willingness to cooperate on improvement areas.

Step 2

Identifying and assessing the enterprise’s impact on people, animals, society, and the environment

Identifying and assessing adverse impacts entails identifying the enterprise’s risk for, and actual negative impacts or harm to people, animals, society, and the environment. The scope includes own operations, supply chain and business relationships. It implies first acquiring an overall overview of risk, and further prioritising the most significant areas of risk for a more thorough mapping and management of the findings. How the enterprise is involved in possible negative impact on people, animals, society, and the environment is key to ensuring the correct response and measures. The involvement of stakeholders, especially those impacted, is also central in the work with mapping, as well as in the work with measures to manage the challenges.

Identifying and assessing adverse impacts is a continuous process where the enterprise gradually acquires more information about actual and potential impacts. The information lays the foundation for the prioritisation of focus areas and further mapping, and to implement measures to manage the risk. For enterprises with complex supply chains or several product lines, the first round of mapping and prioritisation will often be more general. Governance systems, including guidelines and routines, might have to be adapted based on the mapping. Prioritising one or more areas of risk based on the severity, does not mean that one risk is more important, or that the enterprise does not address the other risk areas. It only means that the risk tied to the most salient adverse impact is prioritised first.

General mapping

The risk assessment starts with a general overview over sector, products, and the supply chain in as many tiers as possible. To be able to address risk, the enterprise needs to know how products, and inputs, are produced or where they come from. This is also relevant in cases where sourcing goes through an intermediary. For enterprises with several product lines/ categories, it will be appropriate to start working from product categories, not a singular product. Relevant questions in the first mapping are: In which countries do we operate? Where are our products produced? Where in the country does the production occur? Is the production process labour intensive or technology intensive? Where do the raw materials come from? Which inputs are included in the product, and where are they manufactured?

It is often wise to undertake an internal check first. Often colleagues in other functions might have information about risk that can be useful. Relevant information might also be found online, for example in reports from authorities, the trade union movement, civil society or in media. Where the enterprise lacks information, it can consider reaching out to relevant external stakeholders and experts, for example the trade union movement or organisations with knowledge about the countries the enterprise is purchasing from. There are several mapping tools that can be useful, each with their own strengths and weaknesses.



**Ethical Trade Norway’s resources for Step 2
Identifying and assessing adverse impacts**

- Ethical Trade Norway’s tool for mapping and prioritising of risk (updated in 2024)
- Self-evaluation form (SAQ) for suppliers
- Self-evaluation form (SAQ) for agents
- Overview of reliable sources tied to risk
- Country briefings for ten important producer countries

Norwegian retailer **REMA 1000 Norge AS** describes parts of their risk mapping as follows:



This is good practice because:

- The enterprise conducts an overarching mapping based on country risk and at-risk raw materials.
- They show transparency around which countries and raw materials require more stringent due diligence.
- The enterprise maps risk tied to both suppliers, production locations, and raw materials and therefore works with the entire supply chain.



REMA 1000

REMA 1000 AS sources from production locations all over the world, and it is therefore important to have control over the entire supply chain. The supplier governance system provides us with the opportunity to categorise the production locations according to risk: very high, high, medium, and low. We have chosen to prioritise in-depth risk analyses on 166 production locations that are in countries with a very high or high risk. These are production locations in Bangladesh, China, Thailand, Vietnam, Turkey, India, Indonesia, Malaysia, Brazil, the Maldives, Hungary, Morocco, Tunisia, and the Philippines.

We also follow up suppliers if they have products with at-risk raw materials. We define at-risk raw materials as raw materials where there is a risk for negative impact on people, the environment and society. These are defined in our "Policy for risk-exposed raw materials". The purpose of the policy is to ensure that the production of products that contain the most at-risk raw materials is conducted in a way that reduces risk for negative impacts on people, society, and the environment.

We use Sedex actively to risk assess geographic areas, sectors, and products. Sedex is the world's largest collaboration platform to share supplier data about worker conditions, human rights, and the environment. All production locations that we use which are outside the Nordic region have to be members of Sedex (alternately BSCI).



Melbye Group AS, supplier of products within energy, infrastructure, and instillation describes its routine for overarching risk mapping in the report to Ethical Trade Norway as follows:



This is good practice because:

- The enterprise does an annual overarching review which addresses risk tied to both country and raw material and uses recognised sources for information.
- They have defined criteria for which risk that is to be included in their further work with mapping.



MELBYE

Mapping and identification of risk are reviewed at a minimum once per year. During this process, an overarching prioritisation is decided and limitations are set, based on the countries with the highest average country risk and highest procurement value. For further work with mapping, we have mainly considered those with higher total country risk in 2023 over 2.5 out of 5 (expanded from 3 out of 5 in 2022).

We have identified some potential salient risks, where all of these fall under already existing main categories within prioritised risk. Corruption is a known risk in several of the countries for our suppliers, but we regard our opportunity to influence this as lesser, and already set absolute requirements about this in our Code of Conduct. It has therefore not been a prioritised risk for 2023.

This guides us for further risk mapping and prioritisations. For this we use Ethical Trade Norway's risk mapping tool which is based on the following sources: Global Slavery Index, ITUC Global Rights Index, Freedom House Index, World Bank, Children in employment, UNICEF, Percentage of children in employment, Human Development Index, Gender Inequality Index, Global Gender Gap Index, Wage indicator, Environment Performance Index and Corruption Perception Index.

Emcom AS is a supplier and expert partner within solutions for mobile broadband and industrial networking products. They describe their risk assessment as follows:



This is good practice because:

- The enterprise is developing an internal overview of the supply chain, including materials, raw materials, production countries, and certifications.
- The enterprise shows transparency about how far they have come in their mapping.
- The information is retrieved from a number of sources, such as surveys and direct dialogue, as well as openly accessible information from websites and risk mapping sources.



emcom

We have built an overview of suppliers where the type of products that we get from each supplier/producer, which materials/raw material the products are made from, and which production country is used, is registered. In this overview, we also register which certifications (e.g., ISO certifications) that suppliers have within health and safety, environment, etc., as well as product certifications (such as, RoHS, REACH, and RED CE). Additional information, such as procedures for managing risk in own enterprise, and/or in own supply chain is included. The suppliers are screened in ETN's Salient Risk tool. We conduct an annual review of this overview where we update the information from our suppliers.

We have so far only conducted a risk mapping of first tier suppliers. The reasoning behind this is that we have had limited resources in this reporting period, in addition to us having to establish routines and knowledge about ethical trade. We therefore consider it to be sensible to start with first tier suppliers, and proceed with some of these suppliers where country risk and sector risk within electronics (3TG-minerals and other conflict minerals) is present. Additionally, we have not mapped other partners, such as cleaning services, transport services, or clients.

Information is retrieved from the results of a written survey that we sent to our suppliers, as well as oral and written dialogue. In addition to this, we have retrieved information that is accessible on their websites. We have also used openly accessible sources, such as Global Slavery Index, Animal Protection Index, CSR Risk checker, DFØ's risk list, etc.

Sprell is a Norwegian toy chain. They write the following about how they have mapped and prioritised risks in their own supply chain:



This is good practice because:

- The enterprise will adjust expectations and routines in line with experiences they acquire when they are working with the mapping.
- The description is specific in what is being mapped and why.
- The enterprise conducts a limited mapping in this period, but simultaneously works to establish dialogue and insight in other supply chains.



Structuring and specifying the work with due diligence is still relatively new to us. We therefore see a need to adjust expectations and routines in line with the information and experience we are approaching. (...).

In this period we have chosen to look more closely at nine product groups that account for approximately 50 % of sales in this period. We have chosen to focus on products that are produced in China and which are manufactured from wood or plastic, as this makes up a considerable share of our products and have been identified as high risk. In the case that a supplier also delivers products that fall outside the scope of the nine product categories, we request information about this as well. We have chosen to not prioritise products that are produced in countries with low risk based on ETN's Country risk analysis. In this round, we have also chosen not to prioritise suppliers that deliver services, equipment, and supplies. The reasoning behind this is that a large share of the products within these categories are manufactured in Luxembourg and Austria, which are both countries with low risk.

We use Ethical Trade Norway's Salient Risk Tool (with corresponding reference) to map risk. Among others, we also use DFØ's high-risk product list, Swedwatch, US Department of Labor, CSR Risk Checker, and BSCI. In addition to these, we have retrieved information from our suppliers through a survey and other available sources from suppliers. Going forward, we prioritise risk according to the product's origin country and raw material, as well as how large the share of the product category is. We also consider severity, scope, and possibility for remediation. Despite only focusing on certain product categories, we have chosen to distribute the survey to all suppliers, as we recognize that it takes a long time to establish dialogue and achieve insight in the supply chain. By doing this, we also get an overview of which suppliers have good control and are willing to share information, and which require further follow-up.

Mapping on supplier level

Continuous mapping of suppliers can be appropriate and will enable identification of risk for or actual adverse impact on people, animals, society, and the environment. Supplier visits and observations, self-assessment surveys and audits are methods often used for continuous mapping of conditions at a production location. It is important to note that these tools rarely provide the entire picture and can fail to identify root causes. It is therefore important to get insight from workers, trade unions, civil society, and/or experts in addition to using such tools.

REMA 1000 Norge AS writes the following about their risk assessment of suppliers and stakeholder dialogue in relation to the report for 2023:



This is good practice because:

- The enterprise uses stakeholder dialogue to acquire a better understanding of which risk areas are significant and the causation for the risks.
- During factory visits, they wish to enter dialogue with the workers.
- The enterprise participates in cooperative projects as a part of their stakeholder.



REMA 1000

REMA 1000 has identified and started dialogue with relevant stakeholders, e.g., independent experts and suppliers, who can provide useful information about risk. This information allows us to understand more about which risk areas are significant and should therefore be prioritized. This is especially true regarding the causation for risk of negative impact and harm to people, animals, society, and the environment in our supply chain.

In 2023, REMA 1000 has held stakeholder dialogue with suppliers, workers at production sites during audits, expert organisations, and sector organizations. We want to enter dialogue with workers that work in our production when we are conducting audits/ factory visits. This is often a challenge when we visit production facilities where the workers don't speak English. REMA 1000 wants to strengthen our work with stakeholder dialogue in 2024, and have a focus on workers, trade unions, and civil society. We will use our supplier management system to prioritize the production locations with the highest risk.

REMA 1000 has had indirect dialogue with affected stakeholders through their participation in the due diligence project for cashews, led by Ethical Trade Norway. The project was started in 2018 and is still ongoing. This is described in the report.



Tip!

Stakeholder engagement

The most important aspect of identifying and assessing impacts is collecting the information from the people being affected – the process known as stakeholder engagement. If there is a risk for poor working conditions, the workers must be involved in the mapping. If there is a risk for discrimination of women, the company must ensure that women are heard. If there is a well-functioning democratic trade union, this is often the best source of information about the working conditions.

Stakeholder engagement can be challenging but is necessary to ensure that the enterprise has the correct information. In some cases, there are reports that document the opinions of affected stakeholders, which can be used in the work with mapping. In other cases, the enterprise should speak directly with people. To make this possible, it is likely necessary to cooperate with local experts or organisations that know the local culture and language, and that can speak with the workers outside the production facilities.

Prioritisation of salient risk

The work with mapping to identify the enterprise's negative impacts results in an overview of the enterprise's risk areas. Based on this overview, the enterprise must prioritise the most important, or the most *salient* risk areas for people, animals, society, and the environment, for continuous mapping and/or to introduce immediate measures to stop possible harm or reduce or prevent risk for future harm. The risk assessment should be regularly reviewed, e.g., every second year, as well as in the case of new information and changes in the business. The result of the analysis and the justification for further prioritisation is presented to management to ensure knowledge in the organisation, as well as a proper foundation for decisions.



TINE SA presents their routine for mapping and prioritisation as follows:



Our approach

A1. We complete a general risk assessment on production countries, at-risk raw materials, and countries of origin, as well as risk sectors especially for companies in Norway. From this assessment, a list of suppliers where there may be risk tied to human rights, decent working conditions, the environment, and anti-corruption, is made. If no significant risks are found, the process stops here.

A2. Here we conduct a more detailed assessment of the risk-list from A1. We start by looking at the findings from A1 against the documentation and knowledge that TINE has from the relevant suppliers. At this point, the suppliers' risk is usually managed and the supplier has received a new status of low risk. For the suppliers where the risk has not been managed, we will collect the necessary information and documentation to map the risk more thoroughly. We will also conduct a new risk assessment and the supplier will then either get a status of "low risk" or "high risk". In the case of high risk the supplier will move further along in the process.

In special cases where very high risk has been uncovered, the case will be promoted as an emergency case and managed according to TINE's internal processes for emergency cases. (...)

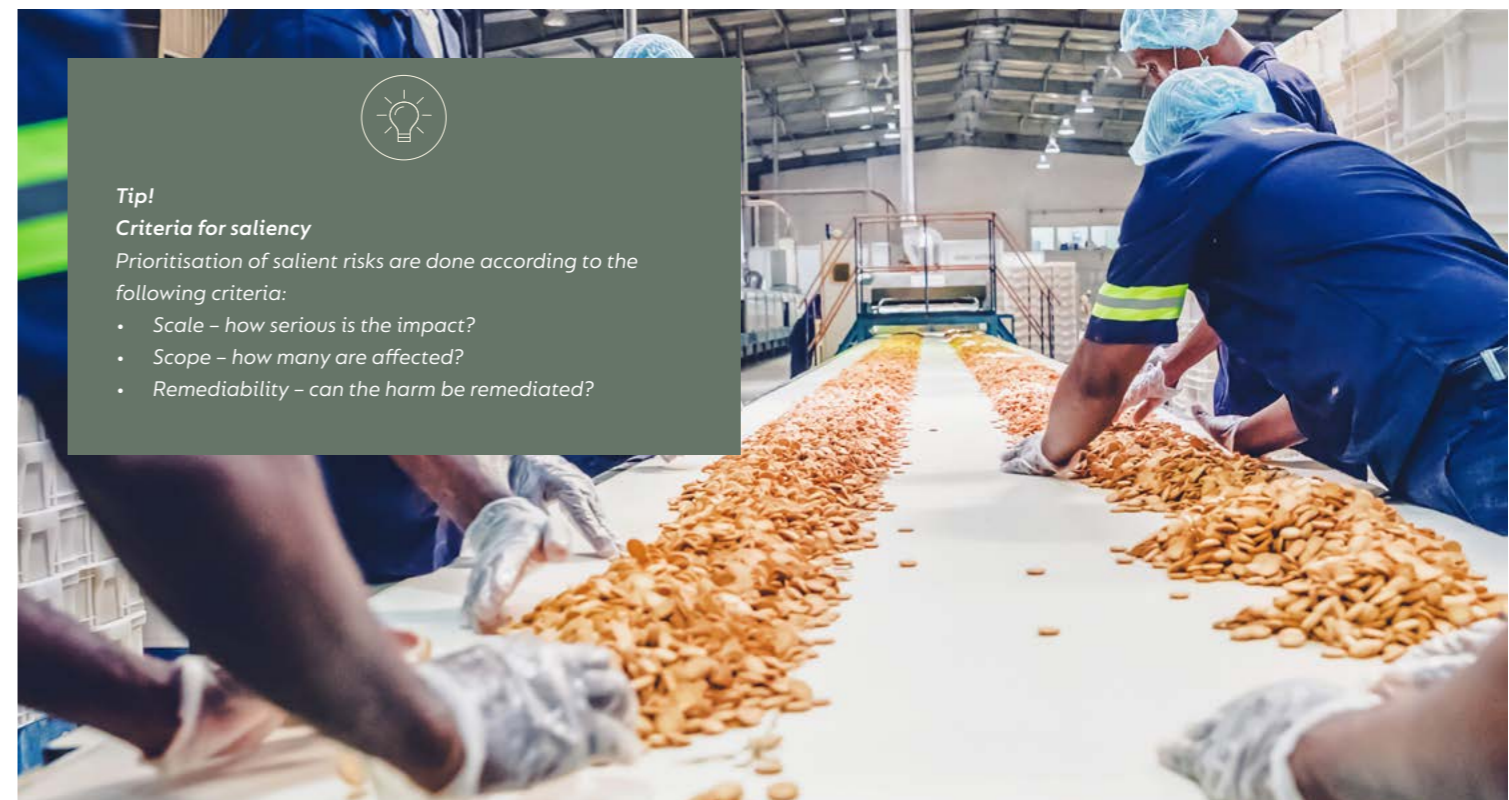
Assessment of risk

In the tool that TINE has developed, reliable and reputable sources are used to assess risk. The sources quantifies the degree of risk, which has been especially important when developing our tool for risk assessment in an objective way. All sources must update their assessments and data annually, which coincides with TINE's policy about annual due diligence.



This is good practice because:

- The enterprise has developed a step-by-step approach for risk mapping based on risk tied to human rights, decent working conditions, the environment, and anti-corruption.
- The enterprise uses reliable and reputable sources to assess risk, and these are updated annually.



Tip!

Criteria for saliency

Prioritisation of salient risks are done according to the following criteria:

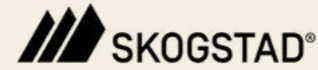
- Scale – how serious is the impact?
- Scope – how many are affected?
- Remediability – can the harm be remediated?

In some cases, an enterprise will discover risk that does not emerge from the regular mapping and prioritisation of risk but will still require measures.

FoodMan AS and **Skogstad Sport AS** have described such cases in their reports:



Bad water quality has been reported in a local lake in relation to a general high strain on the municipality's water treatment plant, resulting from agricultural activity, but also industry. In relation to this, we are implementing measures to improve the quality on our emissions, with the help of analyses, development of routines and through structural upgrades to measuring equipment, drains, and treatment plants, we aim to help reduce the load on the treatment plants.



In addition to identifying risk in the supply chain, measures were implemented in the reporting year to ensure the safety of the crew on board the container ships transporting goods for Skogstad through the Suez Canal. Between December 18th and December 31st, three ships, with a total of six of the company's containers, were directed around Africa's horn because of the unrest in the Red Sea. A situation that appears to be continuing to 2024.



This is good practice because:

- The enterprises general mapping has uncovered specific risk that they are following up with measures. This implies that the mapping routine is working.



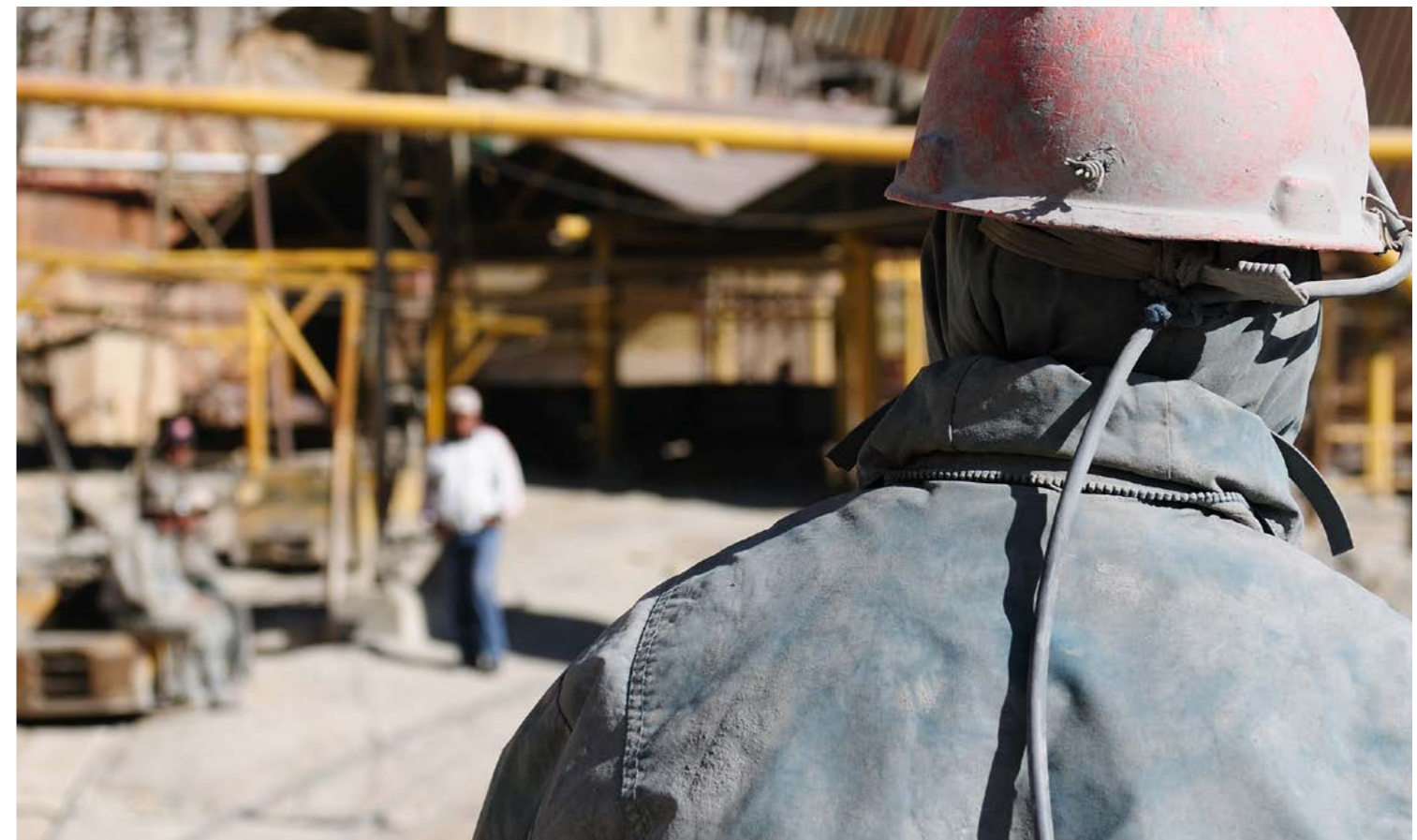
Overview of prioritised risks

The goal for the mapping is a list over the enterprise's prioritised risks. It is good practice to be transparent about the entire list or at least parts of it. Here are some examples of lists that provide a good overview from Ethical Trade Norway's members:



Prioritised negative impact/harm	Related theme	Geography
Risk for breaches of HSE and working location	Health, Safety and Environment	China, India, South Korea, Turkey
Risk for modern forced labor	Forced labor	China, India, Turkey
Risk for lacking possibilities for freedom of association and collective bargaining	Freedom of association and collective bargaining	China, Hong Kong, India, South Korea, Turkey
Risk for excessive use of overtime and incorrect payment of salaries	Wages	India
Risk of discrimination at a production site	Working hours	India, Turkey

Our risk mapping shows where the greatest risk in the various parameters of every mapped country lies, and our prioritised negative impact/harm is based on these.





Prioritised negative impact/harm	Related theme	Geography
Risk of harmful substances in polyester, risk of human rights violations in oil production, utilizing non-renewable material sources, microplastics release	Health, Safety and Environment	Global
Overtime at factories and low participation in social security schemes, volatile wool prices, animal welfare of sheep, traceability of wool to farm level, standard of production facilities in communal farming	Animal welfare	South Africa
Emissions at Tier 1 level	Environment	Global
Wages	Wages	China, India

In 2023 we have done thorough risk mapping on 100% of our Pierre Robert portfolio to make sure we are prioritising correct. We have, because of this, shifted focus for some of the addressed risks, compared to previous years.

We have not prioritized cotton and forced labour as cotton sourcing in our operations stems from our exclusive use of GOTS and BCI-certified cotton, which is sourced from regions free of forced labor concerns. Additionally, our proactive ban on cotton from Xinjiang further reinforces our commitment to ethical practices. We consider this approach a significant step in mitigating industry-wide risks associated with cotton procurement.



Salient issue	Related topic	Geography
Child Labour (& Forced Labour): Related to natural rubber, viscose and footwear industry in China. Related to cotton industry in both India & China. Also related to recycling of plastic for recycled polyester	Forced labour, Child labour, Discrimination, Harsh and inhumane treatment, Marginalized populations	China, India
Labour conditions: Related to all countries in our supply chain	Harsh and inhumane treatment, Occupational Health and safety, Wages, Working hours	China, India, South Korea, Sri Lanka, Turkey
Discrimination: Related to all countries in our supply chain, but are linked to higher risks in India & China	Forced labour, Discrimination, Harsh and inhumane treatment, Working hours, Regular employment, Marginalized populations	China, India, South Korea, Sri Lanka, Turkey
Water Usage Cotton industry: Mainly related to business in India	Environment, Water	India
Hazard chemical use: Related to all countries in our supply chain	Occupational Health and safety, Environment, Emission, Waste	China, India, South Korea, Sri Lanka, Turkey
Environmental impact: Related to all countries in our supply chain	Environment, Emission, Greenhouse gas emission, Energy, Waste, Water, Use of materials	China, India, South Korea, Sri Lanka, Turkey
Corruption: Related to all countries in our supply chain, but are linked to higher risk in India & China	Corruption	China, India, South Korea, Sri Lanka, Turkey

Salient issues in above table shows our priority focus areas, based on conducted risk assessment. These will be followed up closely and we will do our best efforts to improve situation. Above risks are listed in random order as we consider all to be important in different ways. We will target each point in best possible manner and strive for improvements where we have a possibility to influence and affect.

“” **ONEMED**

Prioritised negative impact/harm	Related theme	Geography
Infection control materials and medical consumables generally in selected Asian countries	Forced labour, Child labor, Health, Safety and Environment, Working hours	Bangladesh, China, Cambodia
Glove factories and especially their use of recruitment fees	Forced labour, Health, Safety and Environment, Working hours, Regular Employment	Malaysia, Vietnam
Cotton products from areas of conflict	Forced labor, Marginalised populations	China

The three areas have been chosen because the production takes place in countries where human rights have a weak standing point and the conditions for workers often experience a change for the better and for worse. Special regions and certain groups of people are more exposed than others, and we see that the authorities in certain countries can change “practice” regarding regions and groups of people at short notice.

“” **JOH. JOHANNSON KAFFE AS**
– kjent for god kaffe siden 1866

Prioritised negative impact/harm	Related theme	Geography
CO2 emissions and climate change	Environment	Colombia
Unstable and low earnings for producers	Wages	Colombia

An in-depth report about the condition of sustainability in the coffee industry, called “Coffee Barometer 2023” warns against to general threats against the future for coffee production across the entire world. The first is that a considerable share of the world’s coffee farmers, who cultivate coffee in countries with a less competitive position, are struggling with lasting poverty and precarious living conditions. The second is that immediate measures are required to meet the challenges following climate change, while simultaneously reducing the industry’s own environmental impact.

Many coffee farmers have low productivity on their own farm, which as a result impacts their earnings. Misuse and poor management of agricultural chemicals in coffee production is a reality. In addition to this, agricultural chemicals are responsible for a large share of the farmers’ production costs.

Increased use of agricultural chemicals is a side effect of climate change because higher temperatures triggers increased occurrences of pests and diseases. Productions with misuse and poor management of the agricultural chemicals can also create climate issues, such as water pollution and a reduction of biodiversity.



“” **BEER STEN AS**
Etabl ★ 1879

Prioritised negative impact/harm	Related theme	Geography
Use of dust mask, safety glasses, hearing protection, and safety shoes	Health, Safety and Environment	China, India, Norway, Portugal

We have removed excessive use of overtime in Portugal from last year’s report. This was a risk area that we identified in relation to the movement of procurement volumes as a result of Covid-19.

We are aware of challenges in China related to state-imposed forced labor. We have not uncovered any such cases through our third-party audits.

Step 3

Measures to cease, prevent, or mitigate negative impact

Ceasing, preventing, or mitigating means implementing measures to manage findings from the risk assessment. The enterprise's most significant negative impacts on people, society, and the environment are prioritised. This does not mean that other risk is less important or should not be managed.

Whether the enterprise causes, contributes to, or is directly linked to negative impact on people, animals, society, and the environment, will determine appropriate measures. If there is risk for the enterprise to cause a negative impact, the activity must be ceased, and further harm prevented. Actual negative impact/harm must be remediated. If the enterprise contributes to a negative impact, the enterprise must contribute to stopping the harm, prevent further harm and use its possibilities of influence to further mitigate negative impact. If the enterprise is directly tied to negative impacts, either through its own operations, products, and services, or through a business relationship, the possibility of influence should be used to prevent or mitigate the impacts.

Enterprises must use their ability to influence to get suppliers and other business relationships to cease, prevent, and mitigate negative impacts. Where the ability to influence is regarded as limited, the enterprise must seek ways to strengthen it. This can for example be done by cooperating with other clients from the same supplier, cooperation with trade unions or organisations, or by joining a sector initiative or other coalitions that seek to address the negative impacts.

This chapter presents implemented or planned measures from various enterprises to manage significant risk in their supply chains or in their own company.

**Tip!**

The Transparency Act requires an enterprise to provide information about measures it has implemented, plans to implement to stop actual negative impacts or limit significant risks for negative impacts, and the result or expected result from these measures (§5c). The Consumer Authority states the following in their [guide to reporting](#):

"The report must contain information about measures and the results of these. Here, you will show what you have done or plan to do to stop actual negative impacts and limit significant risk for negative impact that you have uncovered".

At a minimum, you must cover the following:

- *Measures you have implemented or plan to implement*
- *Achieved or expected results from these measures*
- *When you address the results, you must describe how the results have contributed to, or are expected to contribute to, reducing risk or remediating actual negative impacts that you have discovered.*

(unofficial translation by Ethical Trade Norway)

Responsible purchasing practices

Adopting responsible purchasing practices is decisive to the promotion of principles for human rights, decent work, the climate and the environment in the supply chain. By supporting requirements and expectations to suppliers with predictability, cooperation and trust, enterprises will be able to prevent breaches

and facilitate for both social and environmental improvements. Conventional purchasing practices, such as aggressive price negotiations, inaccurate forecasts, late orders, short lead times, and last-minute changes put suppliers under pressure and contribute to violations of labour standards, low wages for workers, or lack of consideration for environmental concerns.

REMA 1000 Norge AS is a large grocery retailer that states the following about the importance of responsible purchasing practices in their report for 2023:



REMA 1000

The **REMA 1000** business idea means that we set demands for ourselves as purchasers. We work towards ensuring that cost negotiations do not come at the expense of those that already earn the least in the supply chain. In addition to this, we are concerned with having a good planning horizon on orders so that we orders in good time to avoid short leading times, that can again negatively impact the workers (through working pressure and overtime) at the production site.

REMA 1000 has a routine for due diligence and responsible procurement practice. This is followed by the Category and Procurement Managers Private Label. We have adjusted our Supplier Code of Conduct according to the Transparency Act. We assess our purchasing practice, and adjust it when risks tied to due diligence are uncovered.

**This is good practice because:**

- The enterprise sets demands for itself to ensure that its own purchasing practice does not cause negative impact in the supply chain.
- The enterprise has goals about a good planning horizon for orders.
- Responsible purchasing practices are seen in relation to the routine for due diligence.

**Ethical Trade Norway's resources and tools:**

- Ethical Trade Norway is a part of a European project on responsible purchasing practices and has developed the [Common Framework for Responsible Purchasing Practices](#) together with other multi-stakeholder partnerships. The framework is developed for and with the textile industry and is based on five basic principles: (1) Embedding and reporting; (2) Equal partnerships; (3) Cooperation about production planning; (4) Fair payment terms; (5) Sustainable cost-setting. An own network is now sharing experiences about the use of the framework, and five members from Ethical Trade Norway are participating in this. An [equivalent framework has also been developed for the food and farming industry](#) by our largest sister organisation – Ethical Trading Initiative.
- Guide for responsible purchasing practices (English).
- Template for internal routine of responsible purchasing practices (Norwegian).

Supplier of natural stone **Beer Sten AS** is further attentive to their own purchasing practices in cooperation with suppliers. They also participate in a project to improve these practices:



We endeavour to give our suppliers the best predictability and safety possible. We give long-term orders and clear priorities for production planning. Our orders are always well worked through to avoid unnecessary changes.

We aim to be flexible, adapting to our supplier's concerns regarding production on their terms. We are open to their challenges and, through close communication and transparency, we strive to adjust our procurement practice. We have a set routine asking our suppliers for feedback in order to always better adjust to their needs.

We do not push for unreasonable short delivery times, despite being pushed ourselves. We always start working at an early stage, in any project, spending time explaining what is fair in regards to our supply chain. Thus, ensuring better understanding of our practice in benefit of our suppliers.

We do not push prices below a decent level / market price. We pay our suppliers before receiving the goods. During the pandemic, we payed our suppliers in advance several times at their requests.

At the end of 2023, we joined the project Responsible Purchasing Practices (RPP) in manufacturing. The project will give insight on how our procurement practice impacts our suppliers and thus help us initiating changes reducing the negative impacts our procurement practice might have today.



This is good practice because:

- The enterprise has an active approach to providing suppliers with the best preconditions for success. The enterprise emphasised predictability, transparency, and close communication, as well as flexibility in relation to the supplier's production wishes. Payment terms consider challenges in the supply chain, which became especially relevant during the pandemic.
- The enterprise has a routine to ask suppliers for feedback about their own procurement practice.
- The enterprise participates in a project led by ETN which will provide increased insight to the influence tied to their own procurement practice, as well as processes for improvement.



Coffee wholesaler and roastery **Joh. Johannson Kaffe AS** also recognises responsible purchasing practices as one of the most effective tools that they have to manage risk and actual negative impact in the supply chain:



Responsible purchasing practices, how we ensure sustainability through procurement, is a significant aspect of JJK's work with due diligence and is one of the most effective tools we have to prevent possible or actual negative impact in our supply chains.

Through our responsible procurement strategy, we will cooperate with and support our suppliers in the work by ensuring decent working conditions, maintaining the climate and the environment by, among other things:

- Continuously work towards ensuring that our procurement practice allows our suppliers to comply with our criteria for sustainability.
- Behave respectfully and with understanding in all dialogue and communication with suppliers.
- Support our suppliers in their work with complying with the requirements in our ethical guidelines.
- Ensure that our contractual framework and terms and conditions contribute to maintaining and supporting our suppliers' work with sustainability.
- Ensure that procurement strategies maintain our Sustainability Strategy.

Holzweiler Items AS is a Norwegian clothing brand that works actively to support suppliers' possibilities for complying with requirements through responsible purchasing practices. In 2023, they asked their suppliers to evaluate the enterprise's purchasing practice and had the following findings:



In 2023 we developed a questionnaire about our purchasing practices which we invited 3 key suppliers to fill out. The findings were shared internally with the design and production team. Production planning and communication were key issues we looked into how to improve based on the feedback from the suppliers.

Here are the areas we have focused on as a start:

- Improved joint business calendar
- Implemented Range plan – works well and used in dialogue with suppliers
- Supplier survey to 3 suppliers – feedback shared
- Vendor management – strategic suppliers to be prioritised
- Leaner collections – Size refence adjusted
- Nominating suppliers – joint decision by design, csr, production and buying department
- Supplier evaluation regularly including input from design, production and buying, logistics



This is good practice because:

- Responsible purchasing practices is viewed as a significant part of the work with due diligence and as an effective tool.
- The enterprise will support suppliers in their work towards complying with requirements tied to sustainability.
- There is a connection between procurement strategies and the Sustainability Strategy.



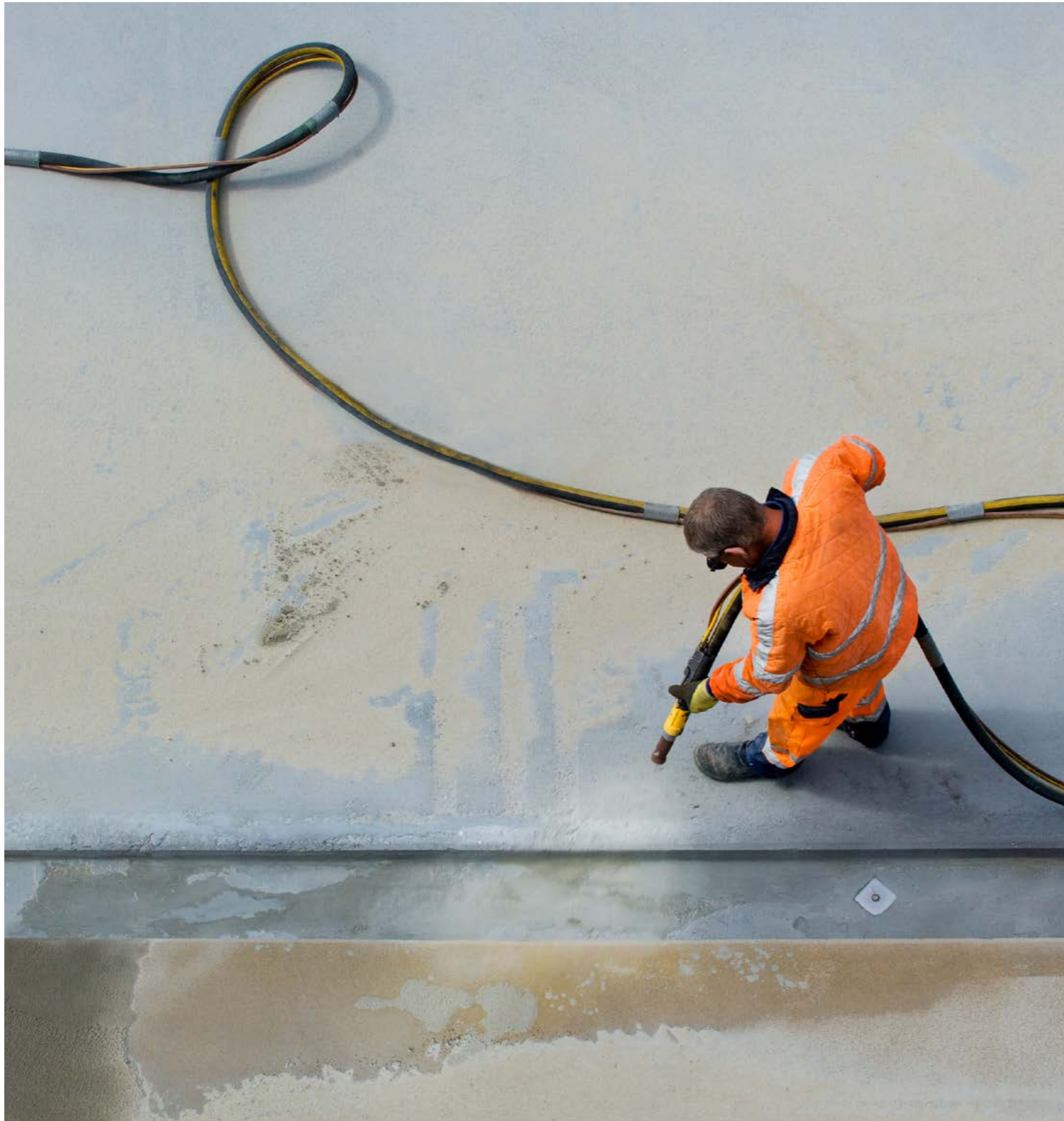
This is good practice because:

- The enterprise has asked three important suppliers to evaluate purchasing practices in 2023 and have implemented measures based on the feedback.
- The measures include a common calendar and planning with the suppliers.
- The measures involve central functions, not only the procurement function.

Measures addressing prioritised impacts*Migrant workers and risk for forced labour*

Migrant workers are a vulnerable group in global supply chains. They may have travelled far from home and across country borders to work and can therefore be exploited in relation to recruitment processes. Many migrant workers pay recruitment fees to intermediaries in exchange for a residence permit and work opportunities, and in the worst cases they

might accumulate a debt which requires a long time period to pay back. Debt bondage is an ILO indicator of forced labour and is in conflict with the ILO Conventions 29 and 105 on forced labour. Enterprises that seek to manage this risk often work with implementing the "Employer Pays" principle meaning that the employer should pay all fees tied to recruitment of migrant workers.



The enterprises Sykehusinnkjøp HF and IKEA AS have reported the following about which measures they have implemented to comply with this principle:

**This is good practice because:**

- The enterprise has a zero-tolerance for forced labor in the risk sector of single use glove production in Malaysia. The enterprise asks for documentation that the recruitment fees have been reimbursed.
- The enterprise visited three factories in 2023 to ensure compliance with the requirement.
- During the visit, the enterprise also observed that the living conditions for migrant workers had been improved.

**Overarching goal:**

No migrant workers in single use glove production will be hired through forced labour.

Status:

All glove producers in Malaysia that have an agreement with the special health service have completed or started the reimbursement of recruitment fees for migrant workers. In 2023, Sykehusinnkjøp HF had a follow up on the various factories by visiting the production sites. (...)

Describe actual or expected results of the measure described above, as well as goals and activities for the coming reporting year:

Ensure that producers complete reimbursement of recruitment fees for all migrant workers at contracted glove producers in Malaysia. In January 2023, Sykehusinnkjøp visited three factories that could document the reimbursement of the migrant workers that had previously paid recruitment fees.

**This is good practice because:**

- The enterprise has a long-standing cooperation with IOM and has provided training for their own employees and suppliers about challenges tied to recruitment.
- The enterprise has implemented measures in countries with high risk of forced labor for migrant workers also at a system level.
- The enterprise works with suppliers to improve their own processes.



IKEA

(...) Inter IKEA has cooperated with IOM about a project concerning risk analyses about migrant-centred human rights. The goal was to gain deeper insight in the risks tied to recruitment of migrant workers over both country borders and internally in the country. Training was provided for 388 IKEA employees and 1050 employees from our suppliers across the world.

In addition to the global effort to manage responsible recruitment of migrant workers in a systematic and global level, through IOM, Inter IKEA Group has also worked actively towards the risk of forced labor for migrant workers the last few years with suppliers in Thailand, Vietnam, and Indonesia. IKEA cooperates with their suppliers and IOM to influence the recruitment sector and the sector standard for recruitment fees to minimise the risk of workers ending up in a forced labor situation. IKEA has also increased the awareness through training and discussions and supported suppliers to improve their recruitment processes, as well as implementing remediation plans for workers who have paid recruitment fees.

Wages

Low earnings and wages are a common root cause for human rights and decent work violations. This is because workers that do not earn enough money to cover basic needs have to compensate in various ways, for example through working excessive overtime. Living wages is a complex risk area to work with, but increasingly part of the due diligence work of companies.

BRAV AS is a producer of sport and leisure equipment including the brands Swix, Lundhags, Helsport, Ulvang, and TOKO. In their Responsibility report for 2023, the enterprise describes how they have worked with wages in the supply chain:



Brav Supplier Code of Conduct requires living wages at our suppliers (§7). Through Sedex and Elevate social audits, we have started to map the workers' wage levels compared to the country average at our suppliers. For a couple of years, Brav has been in a working group for living wage at ETN which is a member project to find the most reliable and systematic ways to monitor and correctly follow up to ensure living wages for the workers in our supply chains (following e.g. inflation).



This is good practice because:

- The enterprise has clearly defined their commitment towards a living wage.
- The enterprise has started mapping wage levels.
- The enterprise has participated in Ethical Trade Norway's living wage group to exchange experiences with others about the work towards living wages.

Solberg & Hansen AS is a Norwegian coffee roastery. The enterprise reports the following about how they pay more than market value to achieve quality – and to support the farmers' livelihoods:



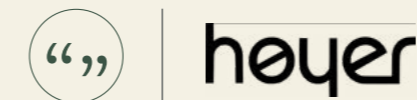
Solberg & Hansen AS has a goal of buying raw coffee of high quality. The focus on quality demands good cultivation and processing methods. The farmers are dependent on finding resources for necessary equipment, knowledge and skills development. They are dependent on skilled workers plucking the good, ripe berries, or sorting and processing the coffee in a precise and vigilant way. Solberg & Hansen AS therefore pays a premium price for the coffee to acquire this quality – normally between two to five times more for the raw good than c-market value. Through direct cooperation and longterm relationships, one can help increase the living standard and contribute to development among the farmers. From 2023 and onwards, this work will be systematised and documented through due diligence with all suppliers.



This is good practice because:

- The enterprise recognises the correlation between the farmers' earnings and the possibility to deliver quality.
- The enterprise provides information about how much more than market value they at least pay for the coffee.
- The enterprise will systematise and document this work going forward.

Høyer Gruppen AS is a Norwegian fashion house, with both external brands and private labels. They map the wage levels in their own production and have a goal that all suppliers of their own brands in China should pay living wages for their employees. In their report for 2023, they write the following about planned and implemented measures:



Describe actual or expected results of the measures described above, as well as goals and activities for the coming reporting year:

Collected audits of wage levels at prioritised suppliers for Telling Stories to map whether there are suppliers already paying a living wage, or if there have been improvements since the last audit. Not all production facilities have audits that contain wage data, or where audits have been completed within a timeframe where there is valuable information to obtain.

We have wage information from 14 of the 24 first tier suppliers for Telling Stories, 12 of which are in China. Three of these pay living wage. Six out of the nine suppliers that don't pay living wage pay more than the minimum wage. Three suppliers pay minimum wage. We therefore seek to establish a strategy to influence wage levels and ensure living wages at Telling Stories' suppliers in China, and increase the share of Telling Stories' first tier suppliers that pay living wages in the coming reporting year.

Telling Stories is going to budget in an extra cost tied to wage increases for coming seasons.

At least 70% of the prioritised suppliers of Høyer are to have a policy in place, or have signed Høyer's guidelines to work towards living wages in their supply chains. There will be a focus from Høyer's side to follow up the suppliers and map whether any cannot/do not want to sign our guidelines and what the underlying cause for this is. After that, an assessment needs to be made to see whether there are alternative ways to committ suppliers to still work towards living wages in their supply chains, or determine if it is necessary to adjust our requirements to help the suppliers with better compliance of our ethical guidelines.



This is good practice because:

- The enterprise has collected wage information and established wage levels against living wages and minimum wages.
- The enterprise seeks to establish a strategy to influence wage levels and ensure living wages, as well as increase the share of first tier suppliers that pay living wages.
- The enterprise wants to budget for extra cost tied to increases in wages for the coming seasons.



Freedom of Association and Collective Bargaining

Actively supporting freedom of association and collective bargaining, or where regulations prevent this, other forms of democratically elected worker representation, is an important principle for responsible business conduct. Freedom of association and the right to organise lays the foundation for workers to express their needs and discuss common challenges and concerns with employers. This is key to increasing labour standards and to improve practice in the workplace tied to, for

example discrimination and wages. Many companies might find that the principles of freedom of association and collective bargaining are challenging to promote as legislation and culture in many countries restrict these rights. It is therefore important to recognise the absence of independent trade unions as an important risk factor and that strengthening worker representation is an effective measure to prevent and reduce risk tied to negative influence on people, society, and the environment in the entire supply chain.

**Ethical Trade Norway's resources and tools:**

- Roadmap for implementing Freedom of Association (English)
- Freedom of Association: How to go beyond audits? (English)
- Freedom of Association: Mapping tool (English)
- Indicators for Freedom of Association and worker representation (English)



In 2023, the textile corporation **Varner AS** worked with measures to strengthen social dialogue with all suppliers in Bangladesh, China, and Turkey. These countries all have regulations that limit workers' freedom of association and are categorised in category 5 out of 5 "No guarantee of rights" from the International Trade Union Confederation (ITUC) and their [Global Rights Index for 2023](#). In China, democratically elected worker representation is usually not possible, which is why Varner has chosen an alternate route in promoting social dialogue in China:

**VARNER****Workplace dialogue in China**

We completed a trial project with elements of social dialogue in China at the end of 2022 and have evaluated the impact and output from the project in 2023. The project was executed by KNO Global and piloted at two factories for Varner. The project aimed to provide a digital two-way communication platform for interaction and communication among workers and managers. The purpose of the platform was to promote workplace dialogue, allowing all voices to be heard, encouraging a dialogue around workplace issues and facilitate effective responses to these, in addition to raising the awareness about decent work at the workplace among workers. Information about decent work topics was also regularly posted on the platform to increase awareness.

Baseline and endline surveys were conducted as a part of the project. Improvements in knowledge and satisfaction were identified at one factory, while the other seemingly saw a slight decrease. One possible reason for the decrease may have been due to workers becoming more aware of the related topics during the course of the project, and more willing to give honest feedback by the end of the project. Both workers and managers participated in giving feedback on the pilot project. Around 80% of workers said the project brought a positive impact, 86% workers said they felt more heard, and 55% workers felt able to share more feedback, while around 70% of managers said the project gave a positive impact. At the same time, some limitations were identified relating to a high level of self-motivation being required from both management and workers, and that the technology required workers to have a certain level of technological knowledge (which proved to be a challenge for workers in older age groups).

The weekly frequency of surveys was also a challenge for workers and managers. In conclusion, learning from the project is now being taken forward with the aim to identify pathways to effective dialogue between management and workers in factories in China.

**This is good practice because:**

- The enterprise has established a trial project with a digital communication channel between workers and management.
- The enterprise has measured improvements through the project and workers in one of the factories reported feeling more heard.

The textile enterprise **Inter-Sun AS** works towards ensuring that as many as possible of their suppliers have freedom of association or democratically elected worker representation. They write the following about their work in 2023:



This is good practice because:

- The enterprise has mapped status for democratically chosen worker representation with their first-tier suppliers.
- The enterprise has worked thoroughly with a supplier where the situation was poor. The measure included training and ended up with two democratically elected workers at the factory in 2023.



Inter-Sun AS

In 2023, we have had a focus on mapping, and increasing the share of factories that have worker representation. This work is based on self-assessment surveys and third-party audits. The share of purchases made from factories with democratically elected worker representation has increased from 65% to 89% in 2023. A part of the increase is due to the fact that we had not mapped worker representation in all our factories in 2022. We chose to start dialogue with a factory that did not have worker representation at all. We chose this factory as it is located in India where workers' rights the last few years have become considerably worse. The factory was also among those with the highest volume in deliveries to us that did not have worker representation. In the dialogue with the factory, we encouraged the supplier to complete a worker representation election. We also guided them in how an election can be held. In the fall of 2023, they completed the election where two representatives, a man and a woman, were chosen.



Tip!

Social dialogue is defined by the International Labour Organisation (ILO) as a mechanism that includes all types of negotiations, consultation, or simply the exchange of information between representatives of governments, employers and workers on issues of common interest relating to economic or social policy.

Climate and environment

Measures to reduce environmental and climate impact will vary among sectors and supply chains. Companies have a responsibility to reduce greenhouse gas emissions from a product's entire life cycle: from extraction of raw materials, through production and transport, to sales, use and after-use of products. Other environmental issues can include local pollution, extraction of scarce resources (for example water demanding production in an area of water scarcity) and preservation of nature and biodiversity.

Norgesmøllene AS reports the following about how they have worked with reducing their greenhouse gas emissions in 2023:



Overarching target:

Reduce our emissions

Status:

Started

Goal in the reporting year:

We have included Scope 1, 2, and 3 in our climate accounting. With this as a baseline, we will be able to see where our emissions occur and also where we can implement correcting measures to ensure a reduction.

Describe implemented or planned measures to stop or limit negative impacts and the reasoning behind the measure(s):

Our car fleet is electric, and we ask for energy efficient / low emission logistics, implement the use of new production lines for flour bags (tighter bags, less food waste), solar panels on the roofs of the mills. In 2024, we launched an important supply chain project in cooperation with Mesterbakeren, Yara, Felleskjøpet Agri and Reitan Retail/REMA 1000. The project will contribute towards reducing greenhouse gas emissions in the supply chain for grain in Norway, from fertiliser on the field to the final product that is sold in the grocery stores. The first products are planned to be launched in 2025. (...)



This is good practice because:

- The enterprise has climate accounting for Scope 1, 2 and 3.
- The enterprise summarises measures and is implementing a project with other large Norwegian actors about products with less emissions.



The leisure clothing producer **Stormberg** also works towards reducing greenhouse gas emissions in its own enterprise and its supply chain. The company reports the following for 2023:



STORMBERG
SMÅ TÜRER ER OGSÅ STORE

Overarching goals:

Stormberg seeks to help suppliers with transitioning to reduce greenhouse gas emissions.

Status:

Stormberg has completed climate accounting for 2023 and has identified increases/decreases in carbon footprint in relation to increased purchases of textiles and materials.

Goal in the reporting year:

Our goal is that the Product and Design Department and our suppliers in China will be well acquainted with the use of the systems of Trimco Group. And that the systems of Trimco Group will simultaneously collect data from our ERP system.

Describe implemented or planned measures to stop or limit negative impacts and the reasoning behind the measures(s):

Stormberg has intentions to increase the share of recycled materials in the product collection and has set a target of at least 50% of the materials being recycled within 2025. We also want to continue to focus on materials that result in lower greenhouse gas emissions and want to cooperate with suppliers to implement this in the production part of the supply chain. Further, Stormberg wants to implement a model for following up at least 95% of suppliers within 2025 to ensure that sustainable practices are implemented throughout the entire supply chain.

Describe actual or expected results of the measure(s) described above, as well as goals and activities for the coming reporting year:

Stormberg expects the increase in recycled materials in the collection, together with our suppliers' measures for sustainable production, to contribute to a reduction of our carbon footprint. The implementation of a model for following up suppliers will contribute to ensuring that sustainable practices are being complied with throughout the entire supply chain. Since 2008, we have continuously completed climate accounting to measure our impact on the climate, and updating our ERP/PLM system in April 2024 will further improve our ability to monitor and manage this impact. We also encourage our suppliers to participate in sustainable production, and work actively towards them implementing specific measures for adjustments. Together with our suppliers, Stormberg continuously strives towards improving our environmental footprint and engagement for sustainable practices. Our suppliers have informed us that they receive government support to switch to renewable energy sources. Some of our suppliers have already come far in this work and have invested in solar panels at some of their locations. They also see the correlation between sustainable production and increased profitability.



This is good practice because:

- The enterprise commits itself to help suppliers with transitioning to reduced greenhouse gas emissions.
- The enterprise has put together an action plan which includes recycled materials and a close follow up of suppliers.
- The enterprise has completed climate accounting since 2008 and updates internal systems to integrate measurements.

Car importer and supplier of mobility services **Møller Mobility Group AS** measures decreases in emissions since their base year in 2019:



Møller

Møller Mobility Group AS has set clear goals towards the reduction of greenhouse gas emission that set the course and speed for the sustainability work going forward. We have chosen to commit ourselves to the Paris Agreement's decisions about limiting global warming to 1,5 degrees and have set scientifically based climate goals that follow Science Based Targets' (SBTIs) recommendations. Our climate accounting satisfies the requirements of the GHG Protocol for the entire enterprise's operations, as well as an expanded Scope 3 reporting that includes all sold cars in a lifecycle assessment. We have also used climate accounting to complete a comprehensive measure analysis as the basis for mapping emission-reducing measures and a defined emissions course for Scope 1, 2, and 3 in line with the 1,5 degrees goal (SBTI absolute reduction target). In 2023, Møller Mobility Group AS has completed a considerable reduction in greenhouse gas emissions in comparison with the year before. The total greenhouse gas emissions were 1 397 433 tons of CO2 equivalents (tCO2e), which is a decrease of 11 per cent from 2022 and a 37,2 per cent decrease from the base year in 2019.

For more comprehensive information, see our climate accounting which is included in our annual and sustainability report [here](#).



This is good practice because:

- The enterprise has set scientifically based climate goals as well as developed climate accounting that meets the requirements of the GHG Protocol.
- The Scope 3 reporting includes all sold cars in a life cycle assessment.
- The enterprise has reduced their emissions with 37,2% since the base year in 2019.

An important risk area within environmental footprint is water management. **BAMA Gruppen AS** reports in their sustainability report for 2023 about how their subsidiary Nature's Pride has a holistic approach to responsible water management:



bama

BAMA's subsidiary Nature's Pride imports exotic fruit with high water content. This is for example mangos, avocados, and kiwis that can be imported from drought affected areas. Since 2018, Nature's Pride has worked actively with their growers on responsible water management, with a goal to increase water awareness within the sector and encourage collective action to make the food system more resilient. Their work with water in the supply chain seeks to support and facilitate more responsible use of water on ground level, and for local societies, environment and their own enterprise. Nature's Pride has developed their own water strategy, which sets requirements to water usage and documentation in their supplier contracts, and have developed an internal water training for their purchasers and have started projects with improving access to water, sanitary conditions, and hygiene in societies in supplier countries. In addition to this, the enterprise was also the first in their sector to pilot the GLOBALG.A.P. SPRING (Sustainable Program for Irrigation and Groundwater Use) in water audits.

In 2023, Nature's Pride spoke at the United Nations' Water Conference. Here, they encouraged increased cooperation on responsible water management in the fruit and vegetable sector. The experiences and the work from Nature's Pride are valuable to BAMA's ongoing work with developing a new sustainability strategy and water policy. We are investigating the possibility to implement similar water management programs in cooperation with actors in the supply chain.



This is good practice because:

- The enterprise has a holistic approach to water management, including measures such as requirements to water usage in supplier contracts, training, and projects.

Training and skills development in the supply chain

Contributions to capacity building, skills development and training of suppliers and workers in the supply chain can be important measures to prevent and reduce risk for negative impact people, animals, society, and the environment. A few good examples can be found in the following:



Overarching goal:

Contribute to decent working conditions and respect for human rights in our supply chains within transport and logistics. (...)

Figures and facts about control measures regarding transporters in the supply chain in 2023:

All new suppliers shall accept and sign the corporation's "Supplier Code of Conduct". The code includes criteria about working conditions, human rights, wages, forced labor, freedom of association, etc. Beyond the scope of this, the approach will vary depending on the purchasing category and risk. The standard templates for contracts also contain the terms for maintaining human rights. These terms were updated January 2023 to comply with the provisions of the Transparency Act. Controlling measures regarding transporters:

- 547 background checks
- 142 completed self-assessments
- 92 audits that are followed up to ensure that the supplier addresses any violations
- 307 vehicles with drivers were inspected (...)

Training:

A digital introduction course for transporters has been developed and distributed to the van transporters in Norway. This course describes the duties of management to ensure decent wages and working conditions for their employees. Approximately 31 per cent of the transporters in the van segment in Norway have completed this course. In addition to this, guidance about audits and physical introductory courses is offered at the local departments for drivers and assistants.



This is good practice because:

- The enterprise has prioritised the van transporters in Norway as the target group for measures. In addition to the control actions, the measures also include training.
- The enterprise informs about the share of Norwegian van transporters that have completed training.
- In addition to training employers, they also provide guidance to the drivers themselves.



The suppliers are risk assessed according to Sedex inherent score and followed up with regards to documentation. The suppliers that are registered in Sedex are followed up (SAQ profile/self assessment questionnaire in the Sedex-system or external Smeta audit through a third-party auditor). A highly prioritised supplier has been coconut oil with origins in the Philippines. Here, our supplier has completed two workshops with workers, in collaboration with local authorities and NGOs. The goal has been to increase awareness around social risk and compliance.

The Sedex membership for "crushing plant" has been established and an SAQ was completed. (...)

The effect of the workshops, as well as further plans, will be followed up specifically in dialogue with suppliers in 2024. The goal for the coming reporting year is to complete more programs at "field level" in the coconut oil production. The importance of support for education among children to avoid child labor at the farms will be a prioritized focus.



This is good practice because:

- The enterprise's supplier has completed workshops with raw material supplier in collaboration with local authorities and NGOs with the goal of increasing awareness around social risk and about the passed SMETA audit.
- The effect of the workshop will be a theme for further supplier follow up.

Grocery supplier **Unil AS** also reports on the work they have done regarding training of both suppliers and recruitment agencies in Thailand:



Overarching goal:

Improve the conditions for migrant workers in the Thai food processing industry.

Goal in the reporting year:

Pilot project on Quizrr training simultaneously with the producer and the two recruitment agencies.

Describe implemented or planned measures to stop or limit negative impacts and the reasoning behind the measure(s):

In 2023, we entered an agreement with a supplier in Thailand for a pilot project on Quizrr training, both for the supplier and two recruitment agencies. Through this pilot, we want to work with identifying further possible measures for producers who employ migrant workers and their recruitment agencies.



This is good practice because:

- The company has engaged a provider of digital training for workers and employers in rights and duties as a measure to improve the conditions for migrant workers in Thailand.
- Both supplier and two recruitment agencies will complete the training.

Choice of products and certifications

Many enterprises choose certified products or raw materials to manage risk for and actual negative impacts on social and environment conditions in the supply chain. This can be a relevant measure and often improve traceability compared to conventional alternatives. However, certifications do not provide any guarantees. It is therefore important to be transparent about the strengths and weaknesses of certification schemes and see them in combination with other measures.

Orkla Health Norge AS, supplier of products ranging from health supplements to wound care and oral health; coffee roaster **Kjeldsberg Kaffebrenneri AS**; the construction contractor **Backe AS**, and student association **Studentsamskipnaden i Sørøst-Norge** explain the choice of certification as follows:



Overarching goal:

Raw materials – achieve verified sustainable production of prioritized raw materials.

Status

Cod liver oil and fish oil: 100% Friend of the Sea certified

Carnauba wax: we only buy from suppliers that are members of the Initiative for Responsible Carnauba.

Palm oil: We don't use palm oil as a pure ingredient, only derivatives or palm kernel oil and work towards all of them to become RSPO certified.

Cocoa: 100% Rainforest Alliance certified.

Soy: We are working towards 100% certified soy.

Cardboard and paper: 70% FSC certified (with a goal of 100% within 2025)

Psyllium Husk: No certification schemes. Measures for increased traceability under review.



This is good practice because:

- The enterprise is transparent about how far along they are with the work of managing risks tied to different raw materials with certification schemes.
- Where certification schemes are not available, they work towards finding other relevant measures.



Kjeldsberg Kaffebrenneri AS has the following certifications:

- Rainforest Alliance; a certification program that focuses on a committing continuous improvement, sustainability, and defined benefits for farmers. With a focus on human rights, forests, the climate, and livelihood. 93% of our coffee is Rainforest Alliance certified.
- Fairtrade certified, a certification program that ensures better working conditions and trading terms, and makes it possible to invest in production, local societies, and a sustainable future. 7% of our coffee is Fairtrade/organically certified.
- Debio certified, a certification program within organics, sustainability, and life cycles.
- Eco-Lighthouse is Norway's most commonly used certificate for enterprises that wish to document their environmental effort and show social responsibility.



This is good practice because:

- The enterprise reports which risks the different certifications apply to.
- The enterprise informs about the share certified with the different schemes.



This is good practice because:

- The enterprise informs about the standards the enterprise itself is certified according to and which they set as requirements for suppliers.
- The enterprise has defined certification requirements for risk, such as deforestation and waste management.



Backe is certified according to the ISO standards 9001, 14001, and 45001. In Backe's special contract terms, relevant criteria from all standards are included to all our material suppliers and sub-contractors. In general, Backe sets requirements for suppliers with an annual turnover of more than 20 million NOK to have a functioning environmental leadership system that is certificated according to, or meet the criteria of ISO 14011, Eco-Lighthouse, EMAS or the like. If a supplier is not yet certified, the supplier must document a well-functioning environmental leadership system, as well as work continuously with improvements on environmental impacts.

The following, tied to climate and the environment, is included in special contract terms:

- "The supplier will ensure that no wooden materials from rainforest materials or materials from protected forests are delivered. This is documented with a PEFC/FSC certificate".
- "The supplier will be a member of an environmentally responsible return system for the final disposal of packaging materials or fulfill the obligation through a similar self-managed return system (documented through proof of membership from Grønt Punkt Norge AS or equivalent scheme)".



This is good practice because:

- The enterprise has approved that all newly purchased, branded textile items will be certified.
- The enterprise has chosen ambitious certification schemes: Fairtrade and GOTS in combination with OEKO TEX. The enterprise will continue working with implementing measures for workwear.



Prioritised negative impact/harm:

Human rights violations and/or decent working conditions in raw materials supply chain and the assembly of textiles.

Overarching goal:

Implement targeted measures to manage risk in the raw materials supply chain and in the assembly of purchased textiles.

Goal in the reporting year:

Increase share of certification.

Describe implemented or planned measures to stop or limit negative impacts and the reasoning behind the measure(s):

- 100% of our newly purchased, branded textile items will be certified (t-shirts and sweaters).

Describe actual or expected results of the measure described above, as well as goals and activities for the coming reporting year:

All SSN-shirts and sweaters that were bought in 2023 are from the brand Cottover. The textiles are Fairtrade, as well as GOTS and OEKO certified. In the coming reporting year, we will map other workwear used in our housing operations.



Ethical Trade Norway's resources and tools:

Ethical Trade Norway has developed certification guides that compare different certification schemes' criteria with Ethical Trade Norway's 13 principles for responsible business conduct. The guides have been divided into the categories grocery sector; textile; products and brand schemes; and system, audits, and reporting standards. They are [available on our website](#).

Step 4 Track implementation and results

This step implies tracking and assessing the implementation and the effect of the enterprise's activities tied to due diligence. This means assessing if what the company is doing is working. Which measures have been implemented to identify challenges and are they working? What has been done to reduce or prevent negative impact, and are the measures working according to their purpose?

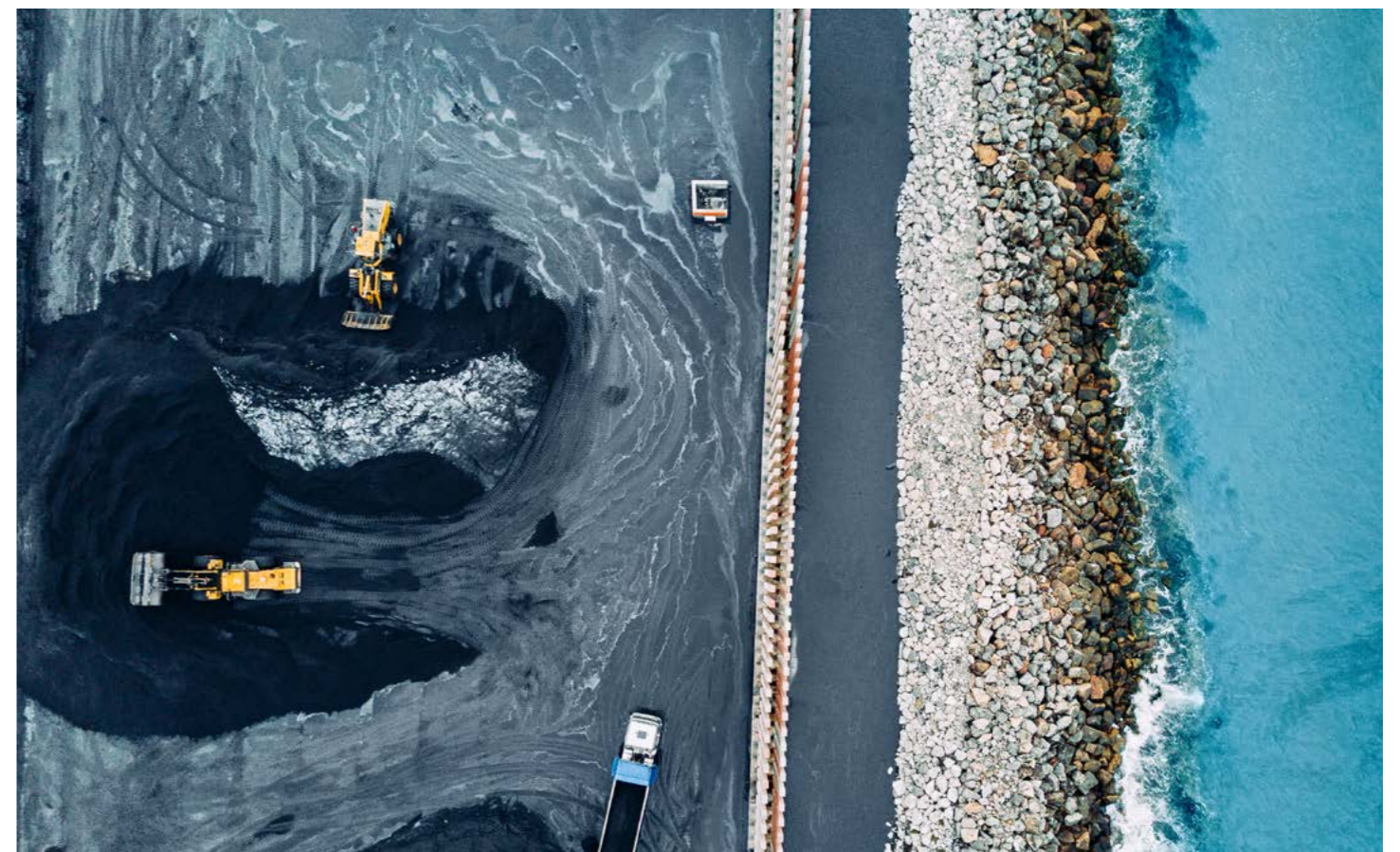
The enterprise should regularly complete assessments of its own work and present the evaluations to management. As a part of the assessment of the effect, it is necessary to collect concrete feedback from affected stakeholders and others. Eventually, the enterprise will assess concrete goal achievement and document that the due diligence work is contributing to actual improvements. The experiences from the tracking of the measures are used to improve the due diligence of the enterprise, so that the enterprise becomes more responsible and sustainable.

In the following section we will see examples from ETN members' work on tracking the effects and results of due diligence, as well as indicators used to monitor progress.



Ethical Trade Norway's resources and tools

- Suggestion for indicators to measure improvements tied to due diligence assessments
- Suggestion for indicators to measure own purchasing practice (English)



Hennig-Olsen Is AS has an interdisciplinary sustainability team that decides the status on implementation of strategy, action plan, and KPIs three times per year. They write the following about how they track their own due diligence work:



We work interdisciplinary and have a sustainability team consisting of employees from different departments and with different areas of responsibility. These members are key to the tracking of measures, risk assessments, and communication externally. The team is dynamic and therefore makes adjustments where needed. This team is responsible for following up the sustainability strategy, the action plan, and the KPIs tied to these two. This is reviewed three times per year with management during the review of the environmental management system ISO 14001.

We have separate teams that follow up areas such as energy, food waste, water, packaging, and chemicals. Who is responsible is dependent on the challenge at hand. (...)

We have our own goal settings tied to sustainability that will reduce our carbon footprint and in this way reduce our negative impact. We know our own carbon footprint through annual reports to Klimapartnere and a comprehensive life cycle assessment completed in 2021 in collaboration with NORSUS, Norwegian Institute for Sustainability Research. Close monitoring and concrete measurable KPIs are important so we can see the effect of measures and trends over time. For example, we have own KPIs for water and energy use, the amount of plastic per liter sold, and reduction of waste in production.



This is good practice because:

- The enterprise has put together a team that is responsible for tracking measures, in addition to separate teams for specific areas. Management is informed three times per year.
- The enterprise has defined targets tied to sustainability with measurable KPIs. These make it possible to see the effect of measures and trends over time.

Mester Grønn (Mester Blomst AS) also has a sustainability group where those responsible for implementing measures meet and work according to a comprehensive action plan:



The responsibility to track and assess the effect of measures is dependent on who is responsible for the measures. The responsibility is clearly defined in a comprehensive action plan, and measures that are completed are also included in the annual sustainability report. The sustainability group has regular meetings where measures are discussed and plans are updated. The group is also responsible for ensuring the flow of information to all stakeholders, including management and the board.

The person responsible for each measure, whether it be purchaser, responsible for packaging, or for environment follow up and manage the effects and results tied to their area of responsibility. They also ensure that the necessary resources from the sustainability group or others are in place when they are needed to determine risk. Due diligence is followed up by the purchasers and the sustainability group according to need and through a regular annual review.



This is good practice because:

- The enterprise has placed responsibility to track measures with those responsible for the implementation of measures.
- The responsible people give feedback to the sustainability group, which then conveys this information to stakeholders such as management and the board.

Stokke AS describes in their sustainability report for 2023 how the company works with tracking and evaluating the completion of measures:



Assessing the implementation of actions and results is crucial for evaluating the impact of a systematic approach and individual efforts at every stage of the due diligence process. This assessment provides insights into the effectiveness of the company's diligence practices.

The Stokke Director of Sourcing and Production oversees due diligence activities in the supply chain, monitoring performance through dialogues with suppliers post third-party audits. Stokke's approach involves identifying, prioritising, preventing, and mitigating issues using insights from visits, risk assessments, and audit findings. The company actively collaborates with suppliers or third-party partners to address pertinent issues and assesses the effectiveness of these efforts by systematically requesting evidence of actions taken to prevent or mitigate salient issues.



This is good practice because:

- Manager of Sourcing and Production has responsibility for due diligence and for conducting dialogue with suppliers following an audit.
- The enterprise uses training from visits, risk mapping, and findings from social audits.
- The enterprise asks the suppliers for evidence that measures to prevent and reduce negative impact have been implemented.

Nille AS has learned a lot about how measures can have a good effect after working with due diligence for many years. They summarise how they substantiate the effect of measures as follows:



This is good practice because:

- The enterprise wants to provide suppliers with an opportunity to address violations but have terminated supplier contracts if the supplier has not shown interest in improvement.
- The enterprise recognises that third-party audits can contribute to an increased focus on social conditions at production enterprises and increases the share of certified products because these can have a risk-reducing effect.



Nille has a focus on long term supplier contracts but has also terminated supplier contracts where, after being given time to fix violations of ethical conditions, the supplier has not or has not wanted to respond satisfactory. Documentation reveals that the share of suppliers in Asia with a verified social audit report has been very high in the last four years. This means that these suppliers have had an independent third-party to assess the social conditions at the production enterprise, been made aware of any shortcomings and had the possibility to address violations. This also contributes to an increased focus on social conditions within management of the production enterprises. Nille expects that through an increasing share of certified products (FSC, Better Cotton, the environmental label the Swan and Oeko-Tex) there will be a risk-reducing effect on the prioritized risks.

Holzweiler Items AS is a Norwegian clothing brand founded in 2012. They write the following about how they substantiate the effect of measures:



This is good practice because:

- The enterprise works with improving the lifespan of their products, as well as a number of other measures to ensure that the products last as long as possible. This is done with the goal of reducing textile waste. They annually measure how successful they are in improving the products.
- The enterprise digitalizes follow up processes to make them more accessible for all departments, including the digital tracking of products.



HOLZWEILER

A major focus for us in the two recent years has been to continue working on increasing the products' lifespan and number of wears. This includes choosing high quality materials, trims & accessories, best practice for good fits, solutions for resale and rental, as well as training staff and customers awareness on how to take care of their clothes. It is difficult to measure the effect of this today, but we believe that these are good measures that clearly have an effect and reduces overall textile waste. The choice of materials plays an important role, and we have increased the use of certified materials. These choices lead to a reduced negative impact on animals, people and the environment. Here, progress is measured from collection to collection, and from year to year. Digitization of the follow-up process by suppliers leads to more efficient information gathering, and that information will be more easily accessible to all departments. The same applies to digital tracking of products, which gives us a much better overview of the supply chain involved in our productions. In future, we will track and measure this.

Joh. Johannson Kaffe AS is a part of a sector partnership that shares resources and tools between enterprises. They report the following about how they substantiate the effect of measures:



This is good practice because:

- The enterprise summarised their tools for completing measures, such as supplier visits, dialogue, and certification schemes.
- The enterprise uses a sector-specific "toolbox" that contains tested resources and tools for the coffee sector.



JOH. JOHANNSSON KAFFE AS
– kjent for god kaffe siden 1866

Through supplier visits, dialogue with stakeholders and choice of certification schemes that can show to preventative and reducing effects of negative impact. Through visits to coffee plantations and small-holder farmers, we have been able to experience that certified farms hold more knowledge about sustainable production, have increased their earnings and therefore have more funds to invest according to their own needs and wants.

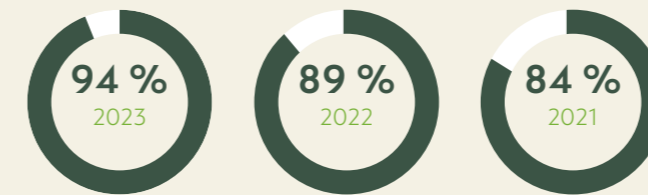
The Coffee & Climate (C&C) "toolbox" contains tested tools, studies, guidelines, and training material. It has been developed as an open online platform and collects valuable information about agricultural techniques and methods which equips coffee farmers across the world to adjust to climate change. We know that large international actors, such as Fairtrade, use the C&C "toolbox". C&C has a goal of helping agriculture outside of the coffee sector as well. International Coffee Partners' projects are run by employed agronomists and experts, and the member enterprises are informed through regular board meetings.

Companies that work systematically with monitoring and tracking measures often use appropriate indicators. It is important to choose indicators that can reflect specific risk areas in the supply chain and to work with gaining access to good data about these risk areas.

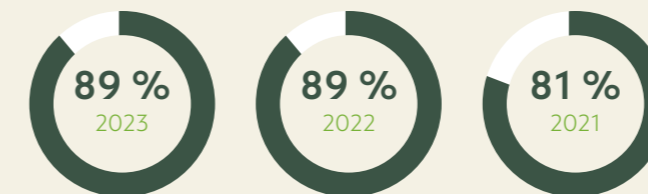
Following indicators over a longer period can show whether a measure has the desired effect. In the following, we see which indicators that the enterprises Agra AS, Unil AS, and Norwegian Concept AS have chosen to follow up annually and how they explain their development.

Unil AS about the share of producers in risk countries that have social audits; and the share of paper and wood

UNIL Share of suppliers in risk countries that have a social audit



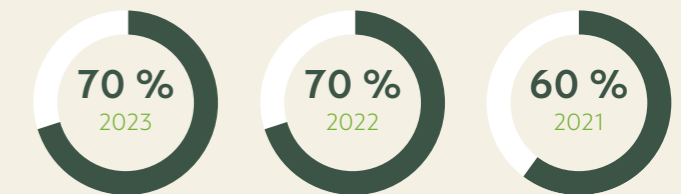
Share of paper and wood products that are certified according to FSC, PEFC or the Nordic Swan Ecolabel



Many activities in 2023, will influence 2024 numbers.

Agra AS about suppliers that have verified climate goals.

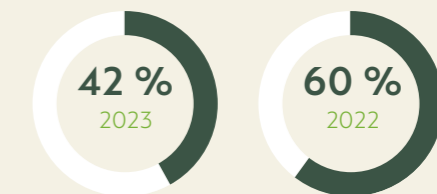
Agra Share of suppliers who have validated their climate targets through the Science Based Targets Initiative



Share of suppliers who set climate targets in line with 1.5 degree target and have these validated by SBTi. Annual monitoring of status.

Norwegian Concept AS about the share of partners that have a form of worker representation or trade unions in factories:

NORWEGIAN CONCEPT Share of partners that have some form of worker representation or trade unions at their factories



The figure for 2022 is based on self assessment from our five largest partners that account for 85% of our purchasing volume. The number for 2023 is based on self assessment from all our 19 active employees partners.



This is good practice because:

- The enterprises use the same indicators every year. This gives opportunities to track development and hopefully improvements.
- It can be a good idea to include an explanatory text, especially if the data material changes and this impacts the goal achievements. An improved data material can sometimes lead to a lower goal achievement.

Step 5

Communicate how impacts are addressed

This step involves communicating policies, processes, and activities tied to identifying and managing the enterprise's actual and potential negative impacts on people, society, and the environment. This should include findings of analysis and effects of activities. To succeed in reaching out with this message, enterprises should identify which stakeholders they wish to target. It is especially important to address groups that can be or have been affected by the enterprise's impact on people, society, or the environment.

The communication should include the enterprise's guidelines for responsible business conduct; what has been done to integrate accountability in guidelines and governance systems; which risk areas the enterprise has mapped and identified as significant; how they are prioritised and managed, as well as criteria for

prioritisation. Communication should also, if possible, state estimated timeframe and set goals for improvements and results, measures to track implementation and results and what remediation and improvement measures the enterprise has completed, either alone or in collaboration with others. As a result of the Transparency Act's requirements' entry into force in 2022, many enterprises now have basic information about due diligence assessments on their websites.

In the following section, we will showcase examples on what enterprises report externally about their own communication and how enterprises can create trust towards their own work with due diligence through open communication on their website and other channels.



Stormberg AS writes the following about how they communicate with stakeholders:



We have a Code of Conduct that is to be accessible for everyone working in factories that produce clothing for Stormberg. Stormberg's Code of Conduct has been translated to Mandarin, so that the people working at the factories can read it in their own language. Stormberg's Code of Conduct is also accessible for everyone on our [website](#). Our factory list is also open and accessible for everyone on our website, and the same is true regarding the inspection reports that have been completed by third-parties going back to 2004. Furthermore, we openly communicate our results from the supplier survey that we annually complete with the factories we purchase from, and about developments and challenges on the [Stormberg blog](#). The annual climate accounting of Stormberg's entire enterprise and all of our products is also made publicly accessible for everyone on our [website](#).



This is good practice because:

- The enterprise makes key policy documents for due diligence publicly accessible and have also translated these to relevant languages.
- The enterprise has open factory lists on their website, in addition to public information about wage developments and products' greenhouse gas emissions. They also blog about challenges.

Through a stakeholder analysis, Backe AS has identified which channels they need to use to reach their intended stakeholders:



Backe has conducted a stakeholder analysis for our work with due diligence.

For our own employees, we communicate through governance system, sustainability websites, news articles on Workplace, courses and meetings. For working conditions at Backe's building locations, we communicate through registrations in HMSREG and meetings in the current project.

We have not had any specific cases tied to communication of negative impact/harm tied to our clients in the reporting year. In the case of actual impact/harm, this will primarily be managed in meetings or in writing.

We generally communicate through contract agreements and summaries of meetings from negotiations and initiation for our suppliers. In the reporting year, we have also experienced violations of Backe's criteria in certain projects. This is communicated through meetings and written correspondence. The Norwegian Labour Inspection Authority has also been alerted in a few cases.

For the general public, Backe communicates through our website, and we also ask for feedback from anyone who wants to give Backe feedback about our work in general relating to responsible business conduct.



This is good practice because:

- The enterprise has completed an analysis to identify which stakeholders are relevant and how to reach them.
- The enterprise reports which channels are in use to reach each specific group.

In their report for 2023, **Coop Norge SA** elaborates on which stakeholders they have been in contact with throughout the year and why this has been important:



Dialogue with stakeholders is important in the work of gaining more understanding about different challenges, but also to understand what can be considered good measures in cases where we have contributed to violations of human rights or decent working conditions in our supply chain. We have a good dialogue with Ethical Trade Norway throughout the year, independent of whether it is related to a specific case or more general requests. When new situations arise, we must continuously evaluate who is able to help us with knowledge of local conditions and a better understanding of various risk conditions. We have, for example, been in contact with a trade union in Spain to gain a better understanding of what information and challenges are present in our supply chain for fruits and vegetables.

In relation to our double materiality assessment, we have been in dialogue with four different stakeholders in Norway for gain insight about what they consider to be important focus areas for us as an enterprise both within social conditions, animal welfare, and the environment.



This is good practice because:

- The enterprise recognises the importance of stakeholder engagement and gives examples of stakeholders they have been in contact with throughout the year, including in their double materiality assessment.

Jacobs Douwe Egberts Norge AS refer to their new Stakeholder Engagement Policy, which lays the grounds for how the enterprise ensures dialogue and communication with stakeholders:



Our Stakeholder Engagement Policy, which we launched in 2023, sets out the framework, approach and guiding principles to ensure we stay connected.

To ensure that we hear the voices of all our stakeholders and determine associated impacts, risks and opportunities, we performed our first double materiality assessment in 2023, as part of our triennial review. Carrying out a review once every three years lets topics evolve, gives sufficient time to implement actions based on outcomes, and enables the company to align with periodic strategy updates, such as the Value Creation Plan.



This is good practice because:

- The enterprise has established guidelines for its stakeholder engagement. These guidelines will ensure that all stakeholders are heard in the double materiality assessment. The assessment will be done every third year and is tied to the updating of other strategy documents.
- Stakeholder Engagement Policy is publicly accessible.

Enterprises are increasingly providing insight into their own supply chain on their websites. This can be through open lists of suppliers with an overview of which products are produced where, or through public statistics on risk areas, such as living wages and worker representation. Below, we will highlight three examples of transparency from three large enterprises:

H&M Hennes & Mauritz AS state name, address, and the number of workers for each H&M product they sell through their website. Below is an example for a randomly selected product.



Supplier information

Independent suppliers make all our products in many parts of the world. Suppliers and factories who work with us must sign our Sustainability Commitment, and we employ staff in our worldwide production offices to ensure the commitment is followed.

If you want to learn more about our Sustainability Commitment, and our work with suppliers and factories in general, visit "Standards & policies" at [hmgroup.com](https://www.hmgroup.com).

Eksempel fra konkret vare:

China

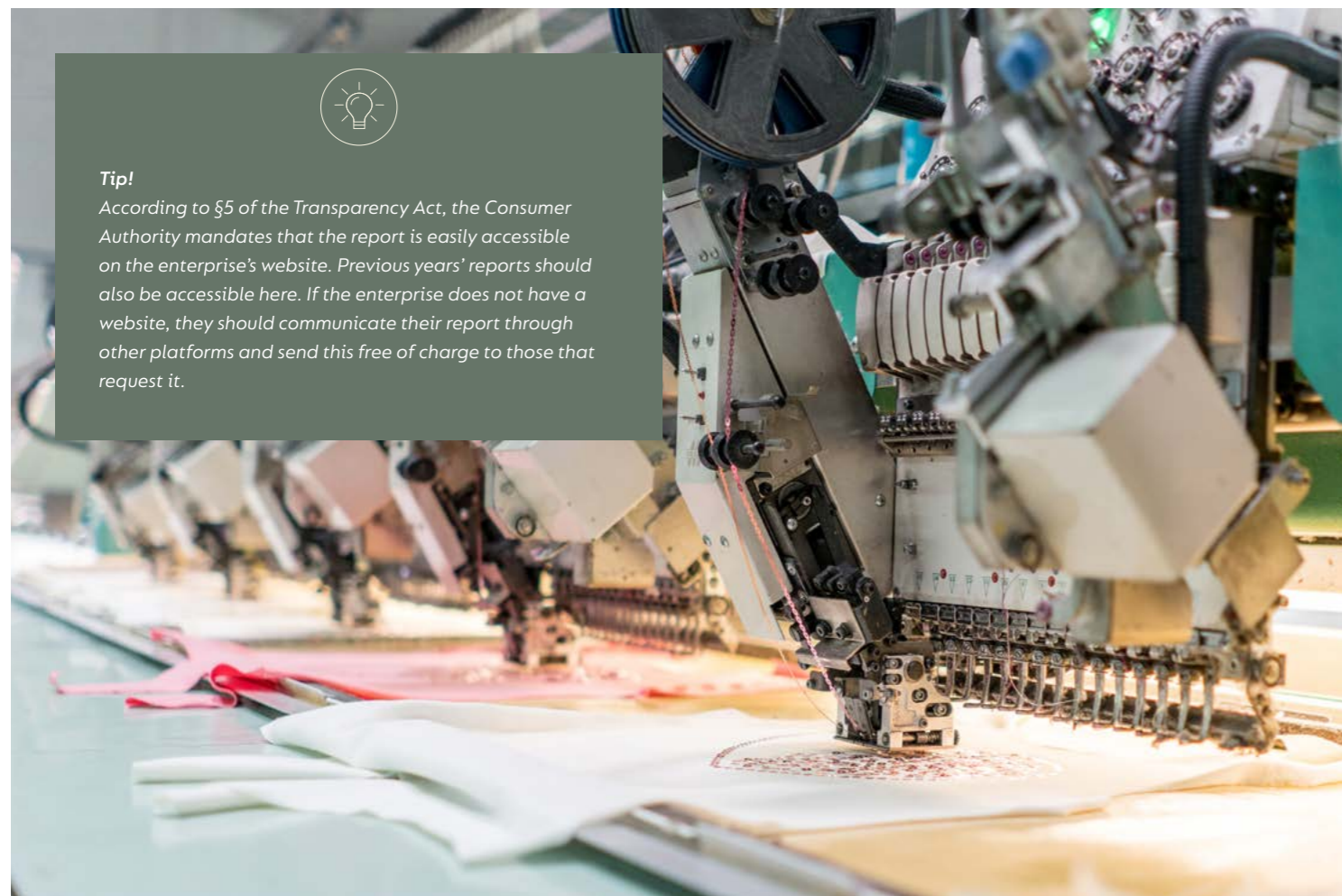
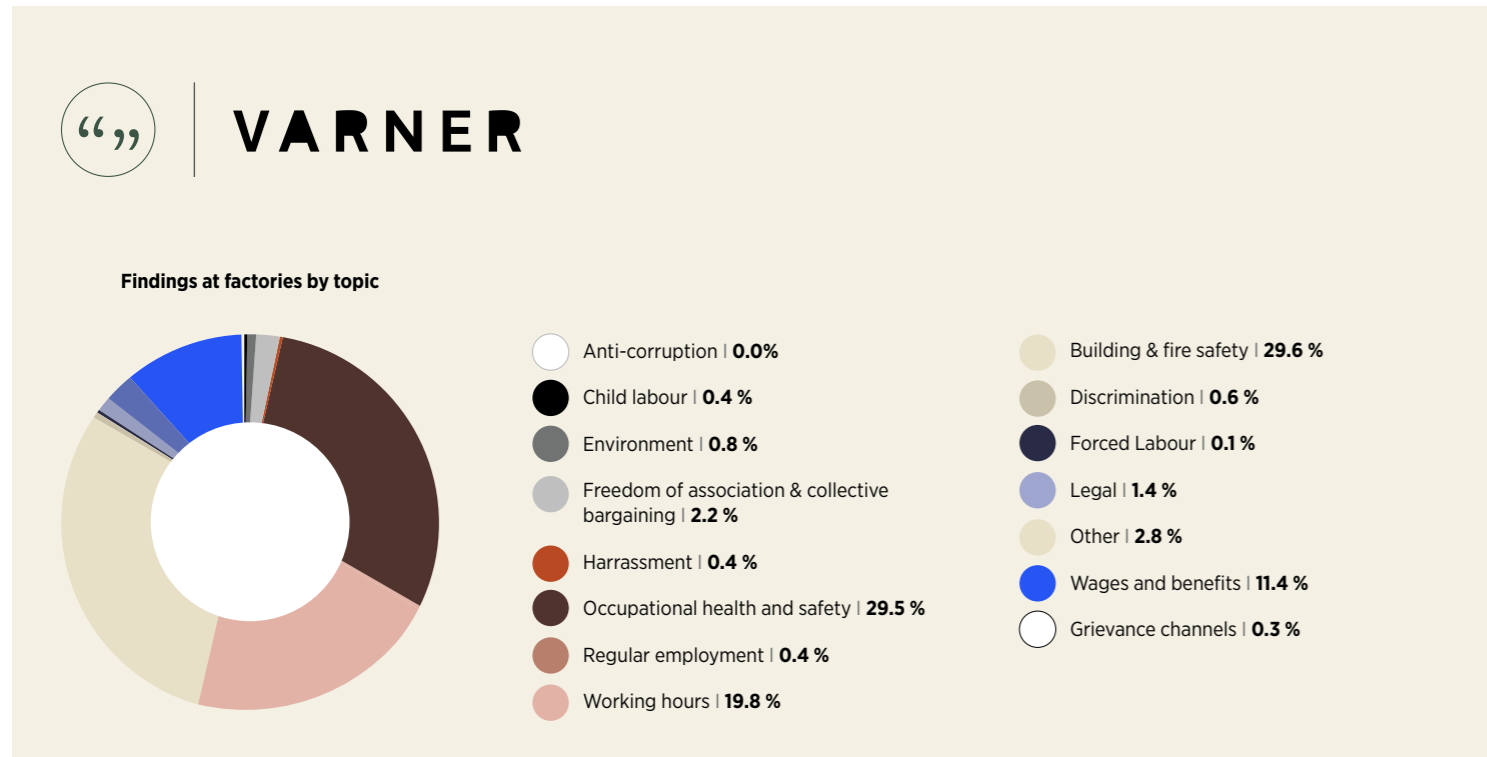
Shanghai Jingrong Science & Technology Co., LTD.

No.299 Yisong Road, Fengxian District, 121401, shanghai

Number of workers: 501-1000



In their Sustainability report for 2023, **Varner Gruppen AS** report about their findings in their assessment of suppliers against the Code of Conduct:



Stokke AS is open about the resource use in 2023 in company's Sustainability report. The graphical presentation shows which and how much of the different raw materials has been used in the production of their products:



Step 6

Provide for or cooperate in remediation when appropriate

When an enterprise has identified that it has caused, contributed or can be connected to negative impact, it has a responsibility to ensure or cooperate for remediation. This also means ensuring access to grievance mechanisms for the affected party and rights holders so they can have their cases heard and handled.

Remediation should seek to restore the situation to how it was before the harm occurred, if possible. To ensure that this is completed in the best possible manner, affected rights holders must be consulted and involved before, during, and after the process. Enterprises should have a policy and routine to ensure remediation in cases where the enterprise causes, or contributes to, or can be connected to negative impact/harm on people, society, and the environment. The policy must include effective dialogue with affected parties. The policy should also include the actions to be initiated by an enterprise in the case that a supplier does not assume responsibility for violation of rights.

An enterprise can also collaborate with suppliers about establishing grievance mechanisms on an operational level, for example internal grievance mechanisms for workers or from a third party. This can imply setting up a complaint process that includes a roadmap for remediation and a remedy of the complaint; timelines for remediation; processes to answer complaints if agreement is not achieved or if the impacts are particularly grave.

It is not always appropriate for enterprises to establish their own grievance mechanisms, as this could lead to a large number of uncoordinated individual mechanisms that are difficult to access for affected rights holders. Sector level multi-stakeholder initiatives will often be able to address the systematic challenges tied to an entire sector to a greater extent. Principle 31 in the UN's Guiding Principles for Business and Human Rights provide a set of criteria that effective, non-judicial grievance mechanisms should meet.



Tip!

Remediation can take many forms...

- Financial compensation
- Other forms of compensation
- A public apology
- Conviction
- Prevention of future harm



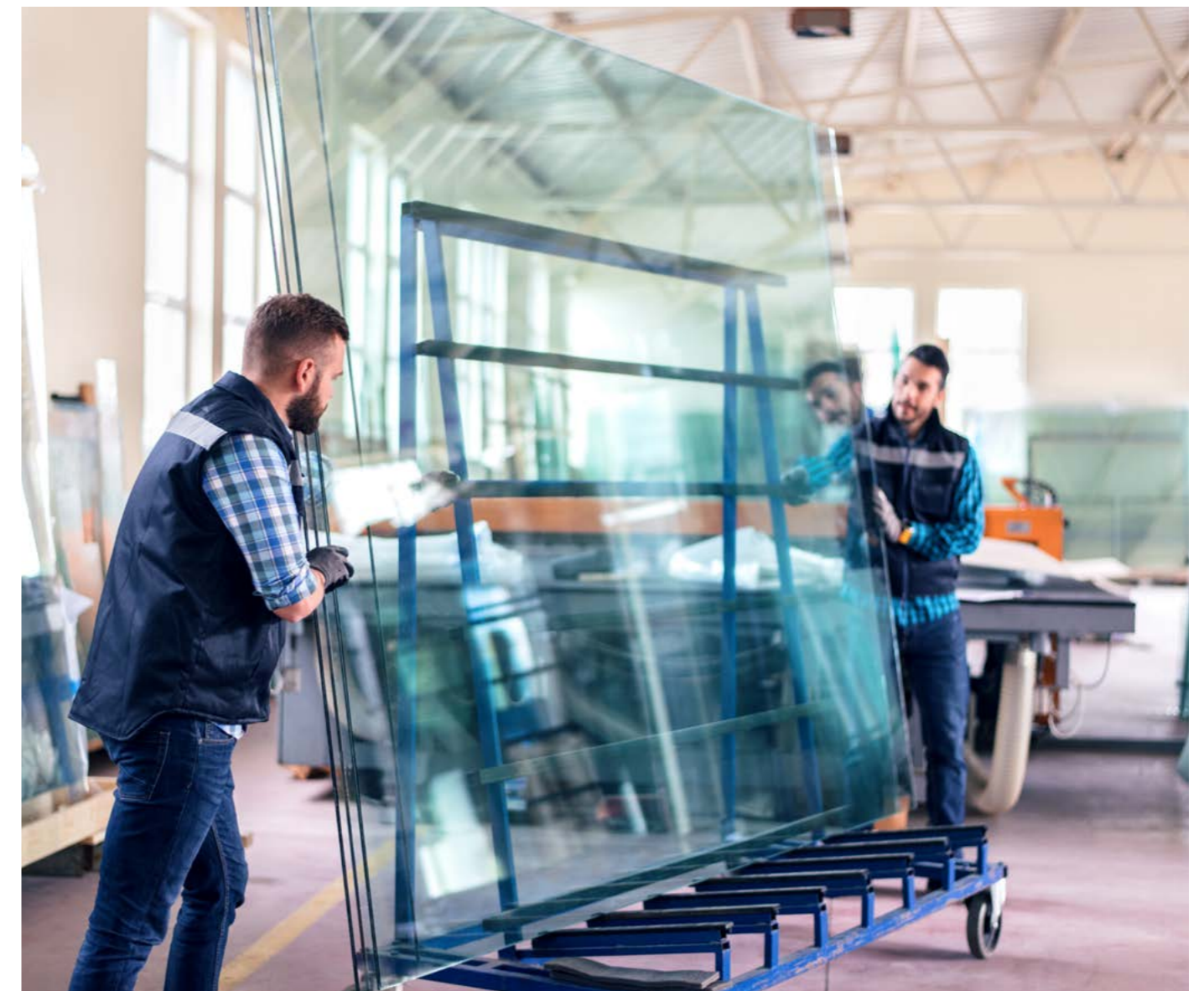
Ethical Trade Norway's resources and tools

- Guide on remediation (English, publicly accessible)
- Guide in remediation for migrant workers (English, publicly accessible)

Enterprises and their responsibility

This table summarises an enterprise's responsibility to ensure or cooperate for remediation according to connection with the actual negative impact or harm. The table has been developed by Ethical Trade Norway and is based on the corporate responsibility according to the UNGPs and the OECD Guidelines for Multinational Enterprises.

If the enterprise has...	The enterprise should...	
Caused (or is at risk of causing) harm	... cease or prevent what the enterprise is doing that causes harm	... and remediate the harm
Contributed to (or is at risk of contributing to) harm	... cease or prevent what the enterprise is doing that contributes to harm, use the enterprise's influence to reduce the risk of harm persisting or emerging	... and contribute to remediating the harm
Identified a connection between harm and own enterprise/product/service	... use the enterprise's influence to reduce the risk of persisting or emerging harm	... even if it has no formal responsibility to remediate, it can still actively contribute



Aalesund Protective Wear AS summarises the following about their policy for remediation:



AAPW

The policy for remediation is part of the company's general policy for responsible business conduct. The policy states the following: "Where our activities cause or contribute to negative impact on people, society, or the environment, we will cease the activity, and seek to remediate the harm. Where the supplier is responsible for the negative impact/harm, the supplier is also responsible for remediation". To ensure that remediation occurs according to our criteria and policies at supplier level, we closely monitor our suppliers and offer support throughout the process. When in need of remediation, we always seek help from relevant resource centres (for instance through our membership to Ethical Trade Norway) to ensure insight and information from an independent third party.

Unil AS writes the following about the company's system and policy for remediation in the 2023 due diligence report:



Our routine for remediation was embedded by management in January 2023. (...) Situations may arise where there is a need of remediation when Unil is made aware of violations of rights that have not been uncovered during social audits or that have not been locally solved at a supplier. Information about these kinds of violations can come from workers at the production facility, trade unions, local organisations, or the media. Although legal responsibility for remediation typically lies with the relevant authorities or our suppliers, we are expected to contribute to the process and ensure that remediation is completed. It is, therefore, essential that Unil has a remediation routine in place for use in such situations.

Unil will start the routine for remediation in situations where:

- The situation is pressing for the affected parties and/or a delayed response can make the situation worse or make it harder to handle, and
- The affected part is asking for support, and
- There is no risk that Unil's actions will undermine local legal processes or expose the affected party/victim to further risk.

A step in the routine is to identify and define what responsibility the involved supply chain actors have and ensure that remediation is completed. There can be situations where the immediate need for action to stop the harm can deviate from the long-term need for compensation.



This is good practice because:

- The enterprise has a routine for remediation that is embedded with management.
- They make a thorough assessment of a situation before any potential routine is implemented.



Tip!

Grievance mechanisms can be both judicial and non-judicial. An example of a non-judicial mechanism is the [National Contact Point for Responsible Business Conduct Norway](#). Stakeholders that find a company to violate OECD's Guidelines for Multinational Enterprises can submit a complaint to the Contact Point. The Norwegian Contact Point can handle cases where Norwegian enterprises are involved, and cases that arise concerning international enterprises operating in Norway.

Varner AS has a separate chapter about remediation and grievance mechanisms in their [Sustainability report for 2023](#). In the chapter, they disclose the number of complaints that have reached them through various channels, and which themes these covered. They also describe their routine in cases where there is a need of remediation as follows (p. 71):



This is good practice because:

- The enterprise shows transparency concerning the number of complaints and remediation in its supply chain.
- The enterprise is clear in the involvement of relevant stakeholders, including affected parties, throughout the entire process.
- The enterprise strives to influence the one responsible to remediate the harm and seeks to cooperate with others to ensure effective and appropriate handling.



VARNER

When cases that require remediating efforts are identified we will initiate an investigation into the situation and the information that has been received. For cases related to decent work and human rights the investigation is made by the CSR function in cooperation with relevant internal stakeholders and appropriate external organisations (such as RSC, Save, CYDD, MUDEM, and The Centre for Child Rights and Business). An investigation typically involves visits to the factory or entity that is involved, dialogue with involved persons and relevant stakeholders, review of records, documents, and other relevant information. If the investigation shows a need for remediation efforts we will determine our role in the proceedings, identify the appropriate remediation action, and a plan for the remediation would be developed. We strive to maintain dialogue with the affected parties throughout the process.

Our approach in these cases has been to influence the entity that has caused the harm to engage in appropriate remediation. We generally seek to cooperate and align with other stakeholders and companies in such cases in order to ensure efficient and appropriate outcomes and to avoid duplication of efforts.

Toys retailer **Sprell AS/Pluss+ AS** writes the following about what they do to ensure access to grievance mechanisms with their suppliers:



This is good practice because:

- The enterprise requires suppliers to have effective grievance mechanisms through its Supplier Code of Conduct.
- They assess audit reports and what these say about grievance mechanisms.
- They are transparent about lacking feedback from the supply chain and that this is to be prioritised in the action plan going forward.



Our enterprise works to map and ensure that workers in our supply chain have effective grievance mechanisms and a system for remediation with regard to the handling of complaints tied to human rights, worker rights, the environment, and corruption. We have made this a requirement in our Code of Conduct, as well as asking for audit reports in our survey to suppliers (e.g., BSCI, Sedex, or SA8000). The purpose behind these measures is to improve the possibilities of remediation and ensure effective grievance mechanisms. Feedback from the supply chain has been lacking in the reporting year. This is an important aspect on our action plan for the coming reporting year.

Denofa AS summarises its key measures for alerting as follows:



This is good practice because:

- The enterprise has a number of measures to ensure that complaints can be addressed, both anonymously and directly with the relevant parties.
- The enterprise ensures internal mechanisms for complaint access, such as a safety representative and an active trade union.



denofa

- Own neighbour complaint email.
- Deviation reporting to be actively used to document all deviations at the workplace.
- Denofa has an active trade union, which can be involved.
- Safety representative can be used locally.
- A common industry protection with other enterprises at Øra that maintains emergency preparedness in the case of accidents and incidents.

AMAGGI (og Denofa):

- A separate alerting channel for all enterprises in the AMAGGI corporation has been established. Here, it is possible to alert anonymously about critique worthy conditions at the workplace. It is possible to report in Portuguese, English, and Norwegian.
- A separate Ethics Group that handles all incoming alerts has been established. The group prioritises and implements necessary measures.

REMA 1000 AS describes a whistleblowing case in the reporting year in their report. They write the following about their system for whistleblowing and grievance handling, and how the case was solved:



This is good practice because:

- The enterprise encourages use of its whistleblowing channel which is administered by an external party.
- The enterprise shows transparency around alerts on irregular conditions that they are connected to, and how this was solved through dialogue and remediation measures.



REMA 1000

Our whistleblowing channel is available on our websites rema.no (...) REMA 1000 encourages everyone to alert conditions that can threaten the enterprise's employees, operations, economy, or reputation.

If employees or suppliers experience irregular conditions in REMA 1000, you can let us know through the whistleblowing channel so that we get the possibility of following up the case and remedying it. You can choose to contact us anonymously. The solution is managed by our cooperation partner PwC.

We received a case through our whistleblowing channel that is administered by PwC. We were contacted by PwC and started to work towards remediating the harm. The alert was sent by a sub-contractor of one of REMA 1000's private label suppliers. The following challenges were alerted:

- Wages – Overtime – the proper wages were not paid in relation to overtime.
- Contracts – temporary contracts were in use rather than permanent ones. We closely followed the case with our brand supplier. The dialogue was good, and the result was that the conditions that were alerted were remedied. Compensation was paid for the lacking wages in relation to overtime, and there was additionally a review of similar type contracts.

Ethical Trade Norway membership and additional services

Membership

This publication has shown examples of good practice from Norwegian business enterprises' due diligence reporting. The enterprises that have been included come from several different sectors; vary in size; and participate in global supply chains in different ways, but all have one thing in common: they are all members of Ethical Trade Norway. As ETN members they can make use of a range of member benefits to support their work with due diligence, while also committing to the ETN Declaration of Principles and to reporting annually on their progress. Here is an overview over membership benefits available to ETN members:

- Individual follow-up and consultation with a dedicated advisor. All ETN advisors have signed a confidentiality agreement.
- Access to a reporting template for due diligence assessments, which has been adjusted to the reporting requirements of the Transparency Act.
- Access to a membership portal with updated resources, templates, and tools to work with responsible business conduct and due diligence.
- Free or discounted access to courses, seminars, and member fora with a focus on practical implementation of the sustainability work in Norway and in the supply chain.
- Overview over regulations and expectations for responsible business conduct.
- Access to a national network through the stakeholder initiative: trade unions, civil society organisations, employer organisations, private enterprises, public enterprises, municipalities and regions.
- Access to an international network of strategic partners, civil society, and Ethical Trade Norway's sister organisations in Denmark, Sweden, and the UK.
- The opportunity of participating in and learning from projects in production countries.

Additional services

The advisors in Ethical Trade Norway also offer additional services on an hourly basis for members and non-members. Here our advisors will to a larger extent complete the work on behalf of the enterprise, yet with a goal to always contribute to proper embedding of guidelines and practices. Here are a few examples of additional services we have completed for companies:

- Development and quality check of internal routines for due diligence assessments and compliance with the Transparency Act's requirements.
- Development of guidelines and governance systems for use in supplier engagement.
- Development of strategies and action plans tied to sustainability.
- Development of self-assessment questionnaires (SAQs) for suppliers.
- Tailored capacity building and workshops for the enterprise and its supply chain partners, in Norway and abroad, about themes such as: due diligence assessments, responsible purchasing practices, risk mapping, how to use certification schemes and social audits, living wages, introduction to climate accounting, introduction to new legal regulations tied to sustainability.
- Development/support for mapping of risk for/actual negative impact on people, animals, society, and the environment, as well as support for prioritising risk.
- Formulating action plans to prevent and reduce negative impact.
- Support for the development of indicators and evaluation of measures.
- Support to reporting on due diligence with regards to the Transparency Act requirements.
- Support for sustainability reporting.
- Development of routines for remediation.
- Double materiality assessment and CSRD reporting: internal courses, methodology for completion of an assessment, evaluation tools, mapping tools. Project management and execution.



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