

# Ethical Trade Norway’s Communication on Engagement (COE) Global Compact

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## Introduction

This is to express the board’s and the Executive Director’s continued support for the Global Compact and renewing our ongoing commitment to the initiative and its ten principles on Human Rights, Labour, The Environment and Anti-Corruption. In addition, Ethical Trade Norway is based on our [Declaration of 13 Principles](#) – based on UN and ILO core conventions and the OECD guidelines for multinational enterprises on Responsible Business Conduct, in which the method of conducting risk-based and continuously due diligence is key.

In this Communication of Engagement, lasting from January 2023-April 2025, we describe the key actions our organisation has taken to support the UN Global Compact and its principles over the last two years, in line with the suggestions for our kind of organisation. We commit to share this information with our stakeholders through our primary channels of communication.

We have had an exciting year with a lot of good sustainability work among our members. Ethical Trade Norway has consolidated its position as the leading member organisation for human rights and environmental due diligence and sustainable business practices. We maintain a high level of activity with member guidance, courses, events and good visibility in social media. We have held a number of industry forums and working groups. One of the highlights of the year was the launch of our [Transparency and Accountability report](#) at the UN Forum on Business and Human Rights in Geneva and our new digital tool for mapping and prioritising risk

New this year is the offer to members on sustainability reporting (CSRD). A pilot has been launched with a CSRD report, as a replacement for the member report, and additional services on double materiality assessments (DMA) for members. This has been very well received by members. We have also introduced a new circular economy training programme, with e-learning courses followed by workshops for both the secretariat and members. Circular economy is also included in the continuous due diligence work.

Among political issues, the evaluation of the Transparency Act and the proposal for a new Public Procurement Act have been particularly important for Ethical Trade Norway, and we have participated with consultation responses and several meetings. The ministry's proposed legislation is expected to be submitted for consultation during summer 2025.

In a troubled and insecure world, it is important that businesses use due diligence to prevent and minimise their negative impact on human rights. Enhanced due diligence has been the topic of several webinars and member gatherings during 2024. Together with our sister organisations in Denmark, Sweden and the UK, we launched the report [Human Rights Due Diligence in Challenging Contexts](#) in June, with case studies from e.g. Ukraine and Israel.

## Member reporting and development at basic and performer level

All members submit an annual report on their work with ethical trade. Since 2019, members' reports have been assessed against objective assessment criteria for basic and implementation levels respectively. 40 members achieved the basic level for the first time in 2024 and seven achieved the implementation level. In total, 118 members have achieved the basic level.

The basic level consists of twelve objective documentation requirements and a self-assessment-report with approximately 100 indicators that are assessed by the member's adviser. Reports that achieve the basic level also fulfil the requirements of the Transparency Act. However, it is the Consumer Authority that has the authority to evaluate whether the quality of the due diligence assessments is good enough.

In 2024, Ethical Trade Norway started a pilot project where members can submit a CSRD-report (in the same way as members can submit a GRI-report) instead of the Ethical Trade membership-report. The CSRD report must cover the content of the Ethical Trade Norway reports indicators. Participants in the pilot received sparring on the CSRD standard with particular focus on S2 - workers in the supply chain. 13 members have participated in the pilot and their integrated CSRD annual report/sustainability report will be used as the member's Ethical Trade report for 2024. The pilot will be evaluated after the reporting season. Member guidance should take place while the CSRD-report is in process, not after the CSRD-report is completed.

### The CSRD-project

In January 2024, two member advisers conducted the first double materiality analysis (DMA) for a member. This provided valuable expertise and insight into the process. Based on this experience and formal guidance in the directive, several DMA assignments have been initiated. We have developed a model and three practical tools for conducting DMAs, one tool for mapping the topics in the ESRs against the value chain and two tools for evaluating impact materiality and financial materiality. A course in the method has also been developed. During the year, three DMA courses were held to teach both members and non-members how to conduct a good analysis. Through dialogue with members, it became clear that there was a desire for a separate CSRD-forum and the first forum was held in November. Two members presented their experiences of conducting DMAs.

### **Additional services on CSRD for members**

Following our experience with the pilot project, we have further developed our additional CSRD services. We offer companies advice in their analysis, where the company does most of the work itself. Advisors enter the process with tools, guidance in the analysis and sparring on choices and trade-offs. We also offer full implementation of DMA with good anchoring in the organisation. In this case, our consultants carry out the majority of the analysis, while the organisation is involved in key parts of the process. In the course of 2024, we initiated processes at four members and signed contracts for a further four projects starting in 2025.

During the year, we explored the possibility of offering a technical CSRD reporting solution (as an additional service) in collaboration with an external partner. We have mapped and been in dialogue with a number of system providers. A potential collaboration with a system supplier could enable us to expand our range to members without having to develop the solution

ourselves, as we have done with member reporting. No binding co-operation agreements have been signed at present.

## Risk mapping tools

In October 2024, we launched an updated version of our risk mapping and prioritisation tool. The tool has been further developed in collaboration with the developers at the company Twoday. The new tool is a digitalisation of the existing Excel-based tool and provides more and updated risk sources and better usability. As of March 2025, 304 users from 164 members registered to use the tool. 1,500 products, 2,785 production processes and 190 measures have been entered. This shows that the tool is popular among our members.

We find that our members are satisfied with this tool as a valuable membership benefit and we have a plan to further develop the tool during 2025.

## Different sector teams

Ethical Trade Norway has 211 members from companies, public sector organisations, municipalities, universities, trade unions, employer organisations and civil society organisations. Approximately 80 per cent of the members are companies and businesses. These are divided into sectors: textiles/fashion/footwear; groceries; promotional items/gifts, leisure; furniture/interiors; health/medical equipment; industrial production; infrastructure/construction/facilities. The three largest industries (by number of members) have their own team leader and regular industry forums. Separate newsletters with relevant resources and reports are also sent out to members from the industry teams.

## Building, construction, property and infrastructure team

In 2024, we have increased our focus on this industry. We have held two member forums and sent out newsletters. We have also held lectures for three members and organisations within the industry. We have decided to carry out a survey of the industry's work on due diligence, with an emphasis on human rights, as an assignment for student interns from Oslo Met. The aim is to gain insight into the level of knowledge and status of the work at all levels, so that we can utilise it in our work on tools, courses and the like. Three industry members are contributing to the work with input. The mapping started in 2025.

## Textile team

We have three advisors who mainly have textile-related members in their portfolios, and textile forums are held for our members between two and four times a year, as required. Industry updates with relevant resources and reports are also sent out.

## Grocery team

In 2024, we held four grocery forums on topics such as deforestation, migrant workers, certification schemes, social audits and ecology. We have sent out quarterly industry updates and updates on relevant issues.

## Working groups and forums

We have initiated more working groups/forums than previously to provide our members with good arenas for competence development for selected high-risk supply chains.

## Battery forum

In 2024, Ethical Trade Norway established a battery forum to address risks in the supply chain for vehicle batteries. The forum has had presentations from members who import battery electric vehicles and from civil society organisations that work with these supply chains, in addition to joint information sharing and exchange of experience through three meetings. The meetings have been open to members of Ethical Trade Norway and there has been a relatively stable group of members from the private and public sectors with purchases of battery vehicles. The meetings have also led to other initiatives where supplier dialogue has been followed up in smaller groups. The work on supply chains for vehicle batteries will continue in 2025 and is one of several areas where we see the benefit of collaborating with our sister organisations in JETI.

## Conflict minerals

During the year, a new resource was developed with relevant sources for members. This resource focuses on challenges related to the extraction of conflict minerals and rare earths minerals and has now been finalised.

At the same time, a separate project, *the ETI Purchasing Practice in Manufacturing Initiative*, is being considered for further development through a webinar to raise awareness and share knowledge. This is a collaboration between ETI UK, ETI Sweden, Ethical Trade Denmark and Ethical Trade Norway. The organisations have made the necessary clarifications regarding how the initiative can be structured for the best possible effect. ETI UK has had the main responsibility for the project and has hired an external consultant to drive the process forward.

The project aims to provide additional support to members sourcing from sectors where critical minerals play a key role, such as renewable energy, electric vehicles and steel/metals. Through the initiative, human rights due diligence (HRDD) challenges have been identified, particularly related to limited supplier awareness and relationships.

To address these challenges, ETI has conducted an initial analysis of the HRDD processes and written an overarching and general report. This provides insight into common obstacles, best practices and areas where additional support may be needed. The aim of the report is to raise awareness and contribute to industry improvements that reduce risks for workers. One of the goals is for participants to improve the mapping of their supply chains, which could also help them to be better prepared for upcoming HRDD legislation and strengthen labour rights. The project was officially launched before Christmas, and further work on follow-up, course development and implementation will continue in the coming year.

## Deforestation-free supply chains

Our work on deforestation-free supply chains is based on the EU's Regulation on Deforestation-free Products (EUDR). In 2024, we held several meetings and presentations on the topic, including two grocery forums and a separate webinar with participation from the Norwegian Environment Agency and the Norwegian Agriculture Agency, among others.

We have also made presentations at a few seminars and meetings related to the new regulation, including at and together with Virke, Denofa, the Rainforest Foundation and WWF. Relevant updates and resources are shared internally with the secretariat and have also been part of mailings to grocery members

Ethical Trade Norway also represents the Norwegian platform for sustainable soya in the European coalition European National Soy Initiatives (ENSI). Monthly meetings are held here to discuss the challenges and opportunities associated with soya, and the group has had a particular focus on the EUDR over the past year. ENSI no longer receives external funding and

responsibility for the meetings is now rotated to maintain the forum and ensure information exchange. The Norwegian platform currently has no activities of its own.

## Purchasing practices

### General

As of January 2024, we have participated in the ETI UK's responsible sourcing initiative. The target group is *General manufacturing*, i.e. all non-textile and non-food manufacturing of goods and services. It's a series of workshops for ETI UK members, Danish, Swedish and Norwegian companies. Between the workshops, there are one-to-one meetings with all members, coordinated by our member advisor Cathrine Berg-Nielsen. We have five Norwegian members in the group: Vestre AS, Melbye Group, Connect Bus, Nille AS, Beer Sten AS. There are 35 companies in total. This is a pilot project and there are different expectations that will be reviewed and evaluated.

## Responsible textile sourcing practices

In 2024, we continued our participation in the international working group for responsible purchasing practices. We helped to develop *the Common Framework for Responsible Purchasing Practices* (CFRPP) together with organisations such as Fairwear Foundation, GIZ, Solidaridad, ILO Better Work, ETI UK and others. Based on the CFRPP, an international platform, the *Learning and Implementation Community* (LIC), has been established for members across the organisations working to implement the framework

In 2024, the group has worked to develop several resources, case studies and tools that will be available to members. Six of Ethical Trade Norway's textile members have participated in sessions of the LIC, providing training and education on the framework, as well as sharing best practices from members and external experts. Kaja Elise Gresko, the 2024 textile team leader, has been facilitating the LIC programme and has been responsible for the meetings under Principle 4: Fair Payment Terms. The Norwegian members of the LIC have been followed up in a smaller working group where we have reviewed relevant resources, discussed challenges and shared good practices.

The programme has been in a final phase in 2024. Both employees and members have learnt a lot from their participation in the working group. We will use knowledge and materials from the LIC in the further development of Ethical Trade Norway's course programme on responsible purchasing practices. The group is now working to develop a framework, the *Purchasing Practices HRDD Framework*, with reference points and KPIs to measure work on responsible purchasing practices.

## Living Wage

Living wages are an important focus area for Ethical Trade Norway. It is estimated that more than 1 billion workers earn less than what they need to cover basic needs. In 2024, the ILO released its long-awaited definition of a living wage. There is still limited practice among Ethical Trade Norway's members when it comes to mapping and closing living wage gaps. Here, the textile members have come the furthest. In June 2024, advisers Kaja Gresko and Simen Høy Dypvik attended *the Living Wage Summit* in Amsterdam to gain experience from companies and organisations in this area. For 2025, our goal is to bring together Norwegian grocery retailers in a joint Nordic project on living wages in the banana supply chain. In 2024, we held several meetings for the industry with our Danish and Swedish colleagues in preparation for this project.

Similar projects already exist in Belgium, the Netherlands, the UK and Germany, and we want to build on this work.

## MSI Working Group on Forced Labour

Ethical Trade Norway participates in a working group on forced labour with other key multi-stakeholder initiatives and organisations, including ETI UK, ETI Sweden, Amfori, GIZ, Fair Labor Association, Fair Wear Foundation and Social Labor and Convergence Programme. The group has a particular focus on state-sponsored forced labour in China, the situation for garment workers in Myanmar after the 2022 coup, and legislation related to forced labour nationally and internationally.

## Climate and environment

### Circular economy

Our members will be leaders in sustainable business practices and due diligence. The circular economy is part of sustainable business practices and is a good tool for solving climate and environmental challenges. Therefore, we partnered with Circular Norway on a circular economy competence training during spring 2024. We have carried out internal training so that all advisers have the same basis for guiding members, and we organised courses for members. The competence boost will continue in 2025, and the circular economy will be part of our members' due diligence work.

### Climate courses and climate accounting

In 2024, we held our climate course from ambitions to concrete goals for our members. The course will be held again in June 2025. Many of our larger members have good climate accounts, but we see that many small and medium-sized companies have not had the capacity and expertise to initiate climate accounting. The course will motivate more members to work to reduce their climate and environmental footprint at home and in their supply chains. We have also developed several resources for members, including a climate roadmap in line with the goals of the Paris Agreement, which shows the various process goals in the six-step model for due diligence.

## Our projects

2024 is the last year of current project support from Norad for Bangladesh, South Africa and Ivory Coast. A new application was submitted to Norad in autumn 2024. In addition to the Norad projects, we also have the cashew nut project in Vietnam, and Sustainability-17 for public sector members.

### Bangladesh

Through Norad's civil society programme, we have contributed to the development of our sister organisation Ethical Trading Initiative Bangladesh and the implementation of the *Green Social Dialogue* and *Gender Sensitivity Workplaces* projects at selected factories outside the capital Dhaka. The projects have largely been completed, but one activity was postponed due to the student revolution in Dhaka, which ended with Prime Minister Sheikh Hasina fleeing the country and a new interim government with the backing of the military was installed. The interim government is preparing a roadmap to new elections that could possibly be held in late 2025. For the project and workers in Bangladesh, the transition to a full democracy will hopefully mean more trade unionised workers, more collective bargaining and improved living wages.

Through the social dialogue programme, a total of 118 factories have received training. Our project has covered 12 factories with 11,825 men and 12,816 women respectively. At sector level, several roundtable conferences have been held and collaboration has taken place with German authorities and Dutch organisations (GIZ and STITCH), as well as the Bangladesh Gender Platform and the ILO GBV Platform.

The gender-sensitive workplace programme has changed the factory culture of silence to one where it's okay to speak up about harassment in the workplace. The programme has been trained in 43 factories, of which 18 in 2023 and seven international companies have participated. 43 Sexual Harassment Complaints Committees (SHCC) are now functioning as they should, and women who are harassed can raise their case in a safe environment. There has been capacity training for 4,755 workers, and development of dedicated factory resource persons totalling 421 (167 women).

The green social dialogue project is a pilot project in which ETI Bangladesh has a unique position. No other organisation carries out climate and awareness-raising work on the factory floor. The project is a good example of worker involvement, where the factories have run training campaigns and created action plans together with the workers. The plans have clear KPIs and include measures such as recycling, water consumption, waste management and energy consumption. A total of 483 employee representatives (218 women) have been trained together with management at five factories. The green social dialogue project can easily be scaled up. It is desirable to continue to develop this and the programme for gender-sensitive workplaces.

## South Africa

In South Africa, we are implementing the *Eastern Cape Upliftment, Empowerment and Sustainability* project in collaboration with the National Wool Growers Association (NWGA). The project was in its final phase in 2024.

Through the project, Ethical Trade Norway is helping to strengthen NWGA's efforts to improve quality and sustainability in wool production. The aim is for marginalised farmers to be in a better position to meet market requirements and new standards, thereby improving their income base. Through the project, NWGA has increased its capacity to train marginalised farmers in more sustainable wool production, particularly through the appointment of two production advisors who travel around the districts and visit the farmers regularly. The farmers belong to shearing shed associations in the Joe Gqabi district in the Eastern Cape province and the project has helped to strengthen them through capacity building and training. We are seeing improvements in business behaviour, increased participation and engagement, especially from women and young people. The certification of ten shearing shed associations under the Sustainable Cape Wool Standard also confirms a shift towards more sustainable production.

In November, Heidi Furustøl, Kaja Elise Gresko and Emilie Mysen Moe organised a project visit. The trip was carried out with local partners. During the trip, we had meetings with stakeholders and met farmers who participated in the project.

## Vietnam

The project in Vietnam has been funded by Handle, Norges Gruppen's sustainability fund, for the past two years, in addition to contributions from participating businesses. The project aims to train farmers in good cultivation methods, labour standards and environmental management, as well as to strengthen the competence of factories that process cashew nuts on labour standards and social dialogue. The project also works to increase traceability and improve transparency in the industry. Participating companies in the project are: Rema 1000 Norge AS, Coop Norge SA, Orkla Confectionary and Snacks Norge AS, FoodMan AS, Sørlandschips AS, Dagab AB, Menken NV.



The project is being carried out in collaboration with local consultancy partner Center for Social Work - Community Development Research and Consultancy, the industry organisation VINACAS and farmers' organisations.

Activities were completed according to plan. We continued the training of farmers, with more than 50 courses completed, as well as training of factory employees, with more than 270 participants in total. A report completed at the end of the year shows that more than 80 per cent of the farmers surveyed experienced increased productivity, better quality and increased earnings. These are very positive results. A guide was also drawn up for buyers relating to due diligence and the involvement of Vietnamese cashew farmers in their own supply chain. The project is firmly rooted in the local community and activities will continue into 2025, but only with contributions from the participating companies.

## Ivory Coast

*The Strengthening sustainable practices in the Ivorian cashew nut supply chain 2021-2024* project is being carried out in collaboration with the civil society organisation Inades Formation. The project follows the same structure as the Vietnam project with two target groups: cashew farmers/cooperatives and employees at cashew factories. These target groups receive skills training through the project, with the aim of improving capacity and increasing the production of the nuts they grow/process and thus obtaining a better price for raw nuts and finished cashew kernels. Ivory Coast is the world's largest producer of raw cashew nuts and in 2023 exported 79 per cent of these unprocessed to countries such as Vietnam and India. The country has a growing processing industry and the government also provides subsidies to strengthen this.

In 2024, the training groups at the three cooperatives we work with have been active. A total of 1,032 farmers have now participated and received training in good cultivation methods and environmental management. We are seeing an improvement in quality and production, and we can see that farmers are choosing to sell their nuts through the co-operatives and thus find them relevant. However, farmers are still struggling with low raw material prices for nuts and at times production exceeds demand. Cashew nut crops are growing year on year in the country and in many areas dominate so heavily that it threatens food security and biodiversity. In 2024, we worked on formulating the next phase of the project, which will start in 2025. Then we will include factories in the project to a greater extent.

## Sustainability 17

Sustainability 17 (collaboration to strengthen the work on ethical trade in the public sector) has brought together members from the public sector and in 2024 was the focus of the category team for building and construction. Solar cells have been an important topic for the category team and the project has raised this theme among several clients.

It has also been a focus for the category team in 2024 to get industry players from the supply industry on board for a joint push for the work on due diligence in the supply chain.

## Political impact

The most important political issues in our field in 2024 have been the evaluation of the Transparency Act, the proposal for a new Public Procurement Act, and the EU's sustainability regulations. The latter includes CSRD (Corporate Sustainability Reporting Directive), CSDDD (Corporate Sustainability Due Diligence Directive), EUDR (EU Deforestation Regulation) and FLR (Forced Labour Regulation).

We have submitted consultation statements, attended meetings, invited members to meetings, and maintained good contact at both civil officer and political level, especially in the Ministry of Trade, Industry and Fisheries, the Ministry of Foreign Affairs, the Ministry of Children and Family Affairs, the Ministry of Climate and Environment and the Norwegian Environment Agency. We also liaise with relevant parliamentary committees. Internationally, we work through JETI (our sister organisations the Joint Ethical Trading Initiatives) and the Paris Group (see section on partners), which has direct contact with the EU.

## Co-operation partners:

### Joint Ethical Trading Initiative (JETIs)

Ethical Trade Norway has sister organisations (JETIs) in the UK, Sweden and Denmark. With a common declaration of principles and the same type of multi-stakeholder composition, JETIs are an important partner for Ethical Trade Norway. There are regular meetings between the leaders and the various industry teams in the four countries. The collaboration involves sharing resources and tools, preparing joint reports, courses and working groups, as well as support in specific follow-up cases in the supply chain or political issues.

Ethical Trade Norway is also a member of the Paris Group, an international network of multi-stakeholder organisations. In addition to JETIs, this includes Fair Wear, Cascale, Fair Labor Association, German Partnership for Sustainable Textiles (GIZ), Green Button, and Social & Labor Convergence Program (SLCP), and Amfori (not a multi-stakeholder organisation). The network meets annually during the OECD Textile Forum. There are also meetings outside, especially at international events. The Paris Group is also behind The Industry We Want, which aims to change the textile industry's purchasing practices and get more companies to pay a living wage.

### DFØ (Agency for Public Management and Financial Control)

Ethical Trade Norway has an ongoing collaboration with DFØ, which covers, among other things, the development of resources, advice to public clients and joint events.

Together with DFØ, Ethical Trade Norway has published contract terms for safeguarding fundamental human rights in public procurement. These are now being revised and we will, together with DFØ, send an updated version together with award criteria, qualification requirements and contract criteria for consultation.

Another joint project concerns the digitalisation of information relevant to due diligence assessments and the requirements of the Transparency Act, in collaboration with ELFO. Electronics is an important risk category in public procurement. Solar cells were therefore the topic of the first joint forum on human rights in public procurement in the construction sector, organised by Ethical Trade and DFØ during the autumn 2024.

Ethical Trade also participates in DFØ's forum for human rights in public procurement and was involved in organising a well-attended event on enhanced due diligence in supply chains in December.

### NF&TA: smart textile consumers

Throughout 2024, we collaborated with NF&TA on the project "Young smart textile consumers". Our assignment was mainly to contribute with content production about ethical trade and the human rights perspective of [VEV - Opplysningskontoret for tekstiler](#) in the form of text, image and video. The content will help consumers to make more environmentally friendly and ethical choices and become more informed about how to extend the life of textiles.

In addition, we contributed to the Sustainability School teaching programme for secondary school pupils. The programme was developed by LOOP and the launch of VEV was part of this. We created one of five challenges for the pupils to help make the world a better place. Our challenge is linked to the Transparency Act and is called "Check the shop": [The Sustainability Challenge: What if everyone did a little bit each? - LOOP Environmental School](#)

## Circular Norway

We have entered into a cooperation agreement with the environmental organisation Circular Norway on skills development for both employees and members of Ethical Trade Norway. In 2024, we held various courses and this will continue in 2025.

## Other business partners

We are in regular contact with the Norwegian Contact Point for Responsible Business Conduct, which is an expert body for responsible business conduct and a complaint mechanism for violations of the OECD Guidelines for Multinational Enterprises on responsible business conduct.

We are in contact with our neighbour, Forum for Development and Environment, especially their working group for responsible business.

We also have a dialogue with Transparency International Norway, and we want to resume joint training in the prevention of corruption risks.

## Courses, events and member forums

Our courses and events were very popular in 2024, with an increase in both the number of courses and participants. The portfolio of courses and events can be divided into two categories:

1. Fixed, regular courses and webinars: Half-day courses on due diligence and double materiality analysis; in-depth courses on responsible sourcing practices and risk mapping, twice a semester; webinars on the Transparency Act and updates from the EU, three times a semester; four reporting workshops for members, which cater for members who are going up to basic level; regular courses for contracting authorities.

2. Theme-based workshops, forums and webinars. Often reserved for members in the form of member forums. During the year, we made a decision to make half-day courses fully digital, based on feedback from participants about the learning outcomes of hybrid courses. Overall, the feedback on content and delivery was favourable, but recurring feedback was that participants wanted a more practical approach with assignments and examples from other companies. The courses have given more group assignments in physical classrooms and there is room for dialogue and experience sharing between participants.

In 2024, we have had a special country focus on high-risks in India, with two separate events and two collaborative events, in partnership with the organization Modern India. This is to be continued through 2025.

In the digital courses, the practical programme is adapted to a digital form. Recent feedback from anonymous questionnaires has been very good. Theme-based member forums and seminars in 2024 dealt with various topics: social audits and certification schemes, introduction to the living wage, how to get started with climate accounting, EUDR, wool and mohair in South Africa, grocery forum, textile forum, member forum for construction, real estate and infrastructure, member

meeting for organisations and trade unions, worker representation in Chinese supply chains, due diligence in China, member meeting with the Norwegian Consumer Authority, and member forum on solar cell procurement

In total, we organised more than 80 courses and events in 2024 with more than 3,500 registered participants. We experienced a slight decline in participants in due diligence courses and a decline in webinars on the Transparency Act. This is probably a consequence of the Transparency Act being more established and the need for information less. In 2024, we have seen a great deal of interest in updates from the EU and information needs for the CSRD framework.

## Marketing and communication

In 2024, we have noticed that it has been a little slower to bring in new members. This is to be expected after two very good recruitment years. One explanation for less interest in membership may be that businesses only want to deliver at a minimum level, or below, which is also confirmed by the Consumer Authority's spot checks. We had 48 recruitment meetings in 2024. Of these, 12 ended in membership.

In the autumn of 2024, we arranged our first "Open House" where potential members had the opportunity to get to know us and hear about the benefits of membership. After the Open House-event, we received several leads that were followed up. We want to organise the same in 2025, to have even closer follow-up of leads.

We've made six campaign films with talented members about how they get sustainability help from Ethical Trade Norway. These films are running as campaigns on Facebook and Instagram, and they will be posted on LinkedIn. We will keep a close eye on the results of the campaigns throughout 2025. The goal is of course to get more members. At the time of writing, the first recruitment meetings have been held as a result of the campaigns.

### **Search engine optimisation (SEO)**

We need to attract more people to our website, so that we rank higher on Google hits and thus get more members. The goal of SEO is to attract more organic (non-paid) traffic to our website by making it more relevant and attractive to search engine algorithms.

From November 2024, we started a project to optimise our website for search engines to reach new target groups and a larger audience. This process is ongoing and will continue in 2025. However, the basics are now in place and a strong increase in visitors to the website shows that the work so far has produced good results. The responsibility for the job lies with the communications manager, in collaboration with an external agency, Evolve.

### **Campaign on our 13 principles (Code of Conduct)**

Ethical Trade Norway's foundation is our 13 Principles (Code of Conduct) and all members are committed to following the principles, but they need to be better known. That's why we ran a campaign on our 13 principles throughout the year. We have produced articles and posts on social media and organised webinars on selected principles, such as forced labour, HSE, environment and discrimination. The principle campaign is also linked to other web cases. The work will continue in 2025.

### **Social media**

We have significant growth on LinkedIn and positive development on Instagram. LinkedIn is our preferred channel. This is where we post professional posts from conferences, project trips to

partner countries and more to reach our contacts, partners and members. We now have 3,739 followers on LinkedIn. This is an increase from 3,216 last year and 1,487 in 2019. The growth is significant with 523 new followers in 2024.

In 2024, we also invested more in Instagram, where our two student interns regularly post good posts. The number of followers on Facebook is slightly higher than last year at 2,600 followers, compared with 2,500 last year.

We are now leaving X/Twitter at the start of 2025 because the platform has become irrelevant with a debate climate characterised by polarisation and fake news stories.

We are featured in several industry magazines such as HandelsWatch, Horecanytt and Tekstilforum. Three podcast recordings (Kiwa, Pengeland and Bærekraftseventyr) have been agreed in the first quarter of 2025.

### **Newsletters**

We have around 2,500 subscribers to our newsletter, which was sent out 19 times in 2024. We notice a rush of registrations for our events when a newsletter has gone out. Our subscription base is relatively stable, which may indicate that we have the right intervals for our mailings.

### *Transparency about responsibility 2024 and launch in Geneva*

In September 2024, we published our updated guide *Transparency and Accountability 2024*, with examples from 57 of our members' work with due diligence. The aim of the publication is to highlight good practice, to inspire organisations to get started and to promote more transparency around due diligence. The publication is available in Norwegian and English on [our website](#). During the UN Forum on Business and Human Rights in Geneva 25-27 November 2024, we launched the publication at a joint event with the Danish Institute for Human Rights and the Norwegian and Danish delegations to the UN. The event was entitled *Promoting effective human rights due diligence - Nordic Perspectives* and attracted around 100 Nordic and European delegates. The Norwegian Consumer Authority, NorgesGruppen, the Norwegian Contact Point for Responsible Business Conduct and Ethical Trade Norway, represented by Executive Director Heidi Furustøl, shared experiences of the first years of mandatory due diligence in Norway to the great interest of the audience.



Ethical Trade Norway's good practice report from members, *Transparency and Accountability*, was launched on 26 November 2024 at the UN Forum on Business and Human Rights in Geneva. Pictured are Senior Advisor Simen Høy Dyppvik and CEO Heidi Furustøl.

## Secretariat

There have never been so many employees in Ethical Trade Norway. The increased number of reflects members growth, which is a much welcome development. The secretariat consisted of a total of 13 employees (five men and eight women), in addition to three student employees (two women and one man). There were 14.3 full-time equivalents in 2024, compared with 12.9 in 2023, 10.3 in 2022 and 9.3 in 2021 and 2020. One employee left their job at Ethical Trade Norway in 2024.

The member advisors have their own portfolios of members in different industries. Members are followed regularly in accordance with agreed action plans and all members can contact their advisor if needed. The member advisors develop and organise courses and seminars, create a range of resources, tools and templates, and carry out extensive guidance work, especially in connection with the annual member reporting.

Having a dedicated member counsellor is of great value to members and is crucial to ensuring that members make progress in their due diligence work. An annual member survey is conducted. The feedback showed the highest score for member counselling, with 92 per cent being either very satisfied or satisfied with member counselling (the rest answered neutral/not relevant since they have just become a member)

Performance appraisals are held with all employees twice a year and an annual HSE survey with an action plan is conducted. Regular weekly office meetings and advisers' meetings are held. The secretariat held an excellent two-day staff meeting at Støtvgig hotel in October, and a one-day meeting was also held at Melkebutikken at Lille Tøyen garden village. There are also monthly social gatherings for the secretariat, which contribute to a good working environment.

Ethical Trade Norway is not part of the IA agreement, but we have chosen the same practice of up to eight self-reported days of absence without a doctor's certificate. Total sickness absence in

2024 was 11 per cent. Of this, nine per cent was doctor-certified absence, one per cent self-reported absence and one per cent sick children. This is slightly up from the record low of six per cent in 2023 and is due to two employees on long-term sick leave. Sickness absence is not work-related.

There were no industrial accidents or incidents during the year. Ethical Trade Norway follows an environmental plan in accordance with the Eco-Lighthouse programme, which aims to reduce the harmful environmental effects of Ethical Trade Norway's operations, and the Board considers the risk of negative environmental impact to be low. We were Eco-Lighthouse certified in 2022 and follow procedures and action plans, and we conduct our own due diligence. We have also produced our own financial handbook, including a Code of Conduct, requirements and routine follow-up of procurement and suppliers.

## Economy

In recent years, Ethical Trade Norway has built up solid equity (NOK 8,878,614 as of 31 December 2014) and it has therefore been important for the board to use some of the saved funds to strengthen the membership offering. It was therefore a deliberate budgeting decision to use some of the equity to develop a digital risk mapping tool. The response to the risk mapping tool from members has been very positive. The tool is also a good carrot in member recruitment.

Investment in the risk mapping tool is the reason why the annual result for 2024 shows a negative result of NOK. 294.724. This was lower than expected and the budgeted annual result was minus NOK 665,220. The positive difference between the budget and the annual result is due, among other things, to lower total personnel costs, underspending on some items (including Arendalsuka and climate resources), slightly higher membership fee income and higher financial income.

The majority of our income comes from membership fees. In addition to this, we have income from payment services, some public support through VAT refunds through the VAT compensation scheme for voluntary organisations, and project support from Norad. The latter only covers the follow-up of our projects in Bangladesh, South Africa and Ivory Coast

Ethical Trade Norway prepares activity accounts every year, which is common for our type of organisation. In the statement of activities, costs are categorised according to the organisation's strategic objectives, with staff costs broken down into the various categories and combined with direct costs. Ethical Trade Norway budgets with direct costs separated from personnel costs.

## Membership development and financial outlook

In 2024, membership revenue increased compared to the previous year. The average membership fee per full-year member in 2024 was NOK 81,139. 81,139, and the corresponding median for membership fees was NOK. 89.000. In 2023, the average membership fee was NOK 76,000 and the median membership fee was NOK 80,000.

We had a slight decline in membership in 2024 compared to the record years of 2022 and 2023 with 30 per cent membership growth. This was largely due to the Transparency Act and good member recommendations. As of 31 December 2024, there were 211 members of Ethical Trade Norway, compared with 217 the previous year. The number of new members during the year 2024 was 12, and cancellations were 18. The average number of new members per year in the period 2014-2024 is 21. The average number of cancelled members per year in the same period is 15.

There were no exclusions in 2024 or 2023. In 2022, the Board decided to exclude three members on the basis that they did not fulfil their membership obligations in accordance with Ethical Trading Norway's Declaration of Principles and Articles of Association

So far, four new members have been approved for 2025, and we have a number of member leads. We are seeing a positive trend in the recruitment of new members during 2025, while lost membership revenue is far lower than budgeted. Payment assignments have been agreed for 2025 in accordance with the budget, but there will probably be fewer assignments than expected due to the EU's omnibus proposal to reduce the scope of companies covered by CSRD.

The NORAD project expired in 2024, but we have received verbal confirmation that a new application period for 2025-2027 has been granted. The allocation will probably be a third lower than in the current project, so that our coverage of personnel costs will decrease to approx. 0.6 man-years. Solid equity of approximately NOK 8.8 million provides security for further operations.

On the basis of the above, the Board of Directors believes that Ethical Trade Norway's financial position, as well as its short- and long-term plans, provide a basis for continued operations.

As of 12 March 2015, the board consisted of six women and two men.

For the Board of Directors of Ethical Trade Norway,

Oslo, 12 March 2025

Ingvill Størksen, Director Policy and Government Relations, Coop Norway, Chairman of the Board

Kjetil Vee Moen, Industry Director Technical Trade, Virke, Deputy Chairman of the Board

Andrew Preston, Senior Advisor, Norwegian People's Aid

Ellen-Kathrine Fauske, Deputy Head of International Department, LO

Rikke Mohn Halvorsen, Senior Advisor, Ethical Trade Norway, employee-elected board representative

Yngvill Ofstad, Sustainability Manager, Bergans Fritid AS

Rita Bondeson Børke, HR Director, Mester Grønn

Elvur Hrønn Thorsteinsdottir, Head of Department, Stavanger Municipality

Heidi Furustøl, Executive Director, Ethical Trade Norway