Norwegian People’s Aid ethical standards for purchasing, investment and fundraising

APPROVED BY THE NORWEGIAN PEOPLE’S AID BOARD ON 31ST MAY 2013
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I - Introduction

These ethical standards are approved by the Board of Norwegian People’s Aid. We are under an obligation to be socially and environmentally responsible for all our actions.

The standards apply to our own employees, all our suppliers, those who manage our investments, our donors and other business partners. The standards comprise requirements relating to work and the environment as well as other requirements in compliance with the provisions of international conventions and instruments such as, for example, the core conventions of the UN and ILO.

In many instances, the requirements in the ethical standards of Norwegian People’s Aid are the same as those laid down in national legislation and regulations. Where the provisions of national legislation and the requirements of our ethical standards differ, the higher standard shall apply.

The requirements in our ethical standards shall be fulfilled by our suppliers, their subcontractors and all other business partners in all their activities. All collaboration between Norwegian People’s Aid and an external partner must comply with the overriding principles and statutes of Norwegian People’s Aid and not undermine or damage our core values, objectives or projects. Under all contractual arrangements, therefore, both parties are responsible for ensuring that the ethical guidelines are followed.

Norwegian People’s Aid reserves the right to terminate collaboration with any business partners following repeated failure to comply with the guidelines or when the will to carry out corrective measures is lacking. If non-compliance with the guidelines is discovered, we expect corrective measures to be implemented within a reasonable length of time. When Norwegian People’s Aid is to place new orders, make investments or receive external funds, the degree of compliance with our ethical standards and the will to undertake improvements constitute important criteria for the selection of supplier or partner.

Norwegian People’s Aid shall, in relation to purchasing, investment and fundraising, at all times relate to the assessments made by the Norwegian Government Pension Fund – Global (SPU) in relation to its investments and prioritise companies that are not excluded by the SPU in its activities. The same applies to companies where Norwegian People’s Aid participates in global campaigns and to companies which Norwegian People’s Aid believes to be responsible for breaches of human rights or international law.

Norwegian People’s Aid shall, in all collaborative relations, be at liberty to publically criticise the collaborative partner concerned for unfortunate and damaging conduct in the event of the breach of standards or recognised international conventions. Moreover, Norwegian People’s Aid shall not be held accountable for, or used to legitimise, any decisions taken by the collaborative partner on a commercial or political basis. If Norwegian People’s Aid independently finds it necessary, we reserve the right to undertake an assessment of collaborative partners or projects.

Supplier means the contracted party which is responsible for the product, process or service delivered to Norwegian People’s Aid.

Sub-contractor means a business entity in the supply chain that directly or indirectly provides the supplier with goods or services integrated or used in or for the production of the supplier’s goods and/or services.
II - Principles

Suppliers to, and business partners of, Norwegian People’s Aid shall deliver goods and services which are produced in compliance with our ethical standards. Further, our suppliers are under obligation to communicate the ethical standards to their sub-contractors for compliance with the requirements they present. Our suppliers shall communicate, and ensure fulfilment of, the guidelines with their sub-contractors. Norwegian People’s Aid recognises that supply chains can be complicated and that this may present challenges in relation to maintaining an overview of work and environmental conditions back along the chain. At the same time, we assume that our suppliers and collaborative partners work systematically and purposefully towards compliance. Norwegian People’s Aid will contribute to this by emphasising, when selecting new suppliers, the requirements to follow up on general human rights and labour rights, environmental conditions and the right to consultation of affected parties. Norwegian People’s Aid shall not make use of companies which do not accept collective negotiation rights and agreements and will favour companies covered by negotiated wage settlements where possible.

Norwegian People’s Aid recognises that a supplier’s current status may not comply with our guidelines. In the event of non-compliance with the guidelines, Norwegian People’s Aid or the party authorised by the organisation, in collaboration with the supplier, will draw up a plan for improvement. The plan shall describe the measures proposed, designate the person responsible and give a deadline by which the measures are to be implemented. Termination of contract may result if the supplier, after repeated requests, fails to show willingness to rectify the situation.

On request from Norwegian People’s Aid, our suppliers shall document that the guidelines are being followed or that ongoing work is taking place on the basis of a mutually agreed improvement plan aimed at achieving compliance. This can be done by means of in-house report, other assessment of work and environmental conditions, external evaluation of the extent to which the company respects fundamental human rights or in sitting with Norwegian People’s Aid. If Norwegian People’s Aid wishes to assess conditions at a sub-contractor, our suppliers are under obligation to provide names and contact details.

The relationship between Norwegian People’s Aid and our suppliers and collaborative partners is to be based on mutual respect and all parties are to communicate in a proper, constructive manner throughout the process.

Compliance with the requirements in these standards and demonstrated willingness to rectify any non-compliance within the company are considered competitive advantages and will be taken into consideration when selecting new suppliers. For this reason, all relevant suppliers will be requested to complete our forms for supplier registration and a declaration concerning their operations.

Boycott of individual countries

Norwegian People’s Aid shall avoid purchasing goods from countries where there exists a broad international agreement to boycott trade owing to the country’s human rights situation.

Corruption and bribery

Norwegian People’s Aid does not accept the use of bribes in any shape or form to give unfair advantages to customers, agents, entrepreneurs, suppliers, employees or public servants. Reference is made to the Norwegian People’s Aid guidelines relating to anti-corruption work and reporting routines which are available on our website www.folkehjelp.no.

Continuous assessment and improvement of internal standards and practices at Norwegian People’s Aid

Norwegian People’s Aid shall continuously assess and improve our own purchasing practices and standards to facilitate the goal of our suppliers and their sub-contractors achieving compliance with these ethical standards.
III – Ethical standards

1. Forced/bonded labour (ILO conventions nos. 29 and 105)
   1.1 No form of forced or bonded labour or involuntary labour is permitted.
   1.2 Workers must not be required to provide a deposit, identity papers or passport to the employer and shall be at liberty to terminate their employment with a reasonable period of notice.

2. Union organisation and collective bargaining (ILO conventions nos. 87, 98 and 135 and 154)
   2.1 Without exception, workers shall have the right to join or establish trade unions of their own free will and the right to collective bargaining. Employers shall not interfere, hinder or oppose union organisation or collective bargaining.
   2.2 The employer shall not discriminate against trade union representatives or hinder them in the performance of their trade union work.
   2.3 If the rights of freedom of association and/or collective bargaining are limited by law, the employer shall facilitate and not hinder alternative mechanisms for free and independent association and negotiation.

3. Child labour (UN convention on the Rights of the Child, ILO conventions nos. 138, 182 and 79, ILO recommendation no. 146)
   3.1 The minimum age for workers shall not be under 15 years old and in keeping with
      i) the national minimum age for employment;
      ii) the minimum age for compulsory schooling,
   the higher of the two being applicable. If the local minimum age is fixed at 14 years of age in keeping with the exception provision of ILO convention 138, this may be accepted.
   3.2 New recruitment of child workers in contravention of the minimum age as laid out above is not permitted.
   3.3 Children under 18 years of age shall not undertake work which may be damaging to their health, safety or morals, including night work.
   3.4 Action plans are to be established for the prompt phasing out of child labour which contravenes ILO conventions 138 and 182. Action plans shall be documented and communicated to relevant personnel and other interested parties. Support schemes are to be organised under which children are given access to education until such time as the child is no longer of compulsory school age.

4. Discrimination (ILO conventions nos. 100 and 111 and UN convention on the Discrimination of Women)
   4.1 There is to be no discrimination in relation to employment, wages, training, promotion, dismissal or retirement on the basis of ethnicity, caste, religion, age, disability, gender, civil status, sexual preference, union work or political affiliation.
   4.2 Measures are to be established to protect persons against sexual harassment and threatening, abusive or exploitative behaviour, and against discrimination or dismissal on the basis of unjustifiable grounds, e.g. marriage, pregnancy, parenthood or status as HIV positive.

5. Brutal treatment
   5.1 Physical abuse or punishment, or threats of physical abuse are forbidden. The same applies to sexual or other types of abuse and different types of humiliating treatment.

6. Health, safety and the environment (ILO convention no. 155 and recommendation no. 164)
   6.1 Work is to be undertaken to ensure workers a safe and healthy working environment. Dangerous chemicals and other substances shall be properly handled. Necessary measures shall be taken to prevent and minimise accidents and damage to health as a result of, or in relation to, conditions at the workplace.
   6.2 Workers shall receive regular, documented training in health and safety. Health and safety training shall be repeated for new employees and transferred workers.
6.3 Workers shall have access to clean sanitary facilities and clean drinking water. If relevant, the employer shall also provide access to facilities for the safe storage of food.

6.4 If the employer provides lodgings, these shall be clean, safe, sufficiently ventilated and with access to clean sanitary facilities and clean drinking water.

7. Wages (ILO convention no. 131)

7.1 Workers’ wages for a normal working week shall be no less than in keeping with the national minimum wage provisions or the industry standard, whichever is the higher. Wages shall always be sufficient to cover basic needs, including savings.

7.2 Wage conditions and payments shall be fixed by written contract prior to commencement of work. The contract must be such as can be understood by the worker.

7.3 Reduction in wages as a disciplinary measure is not permitted.

8. Working hours (ILO conventions nos. 1 and 14)

8.1 Working hours shall be in accordance with national legislation or industry standards and not exceed the working hours stipulated in the relevant international conventions. Normal working hours per week should not normally exceed 48 hours.

8.2 Workers must have at least one day off per 7 days.

8.3 Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. total work time of no more than 60 hours per week. Exceptions from this rule may be accepted if regulated by collective agreement or national legislation.

8.4 Workers shall always receive overtime supplements for work in excess of normal working hours (see point 8.1, above), the minimum supplement being in accordance with prevailing legislation.

9. Regular employment

9.1 Obligations towards workers, in line with international conventions and/or national legislation and regulations concerning regular employment, shall not be evaded by means of short-term engagement (such as the use of contract workers, casual labour and day labour), sub-contracting or other types of employment relations.

9.2 All workers have the right to a work contract in a language they understand.

9.3 Apprentice programmes shall be clearly defined as to duration and content.

RELATIONS OUTSIDE THE WORKPLACE

10. Marginalised populations

10.1 Production and the use of natural resources shall not contribute to the destruction of the resource and income base for marginalised populations by, for example, the sequestration of large areas of land or irresponsible use of water or other natural resources upon which such populations depend.

10.2 All business partners and sub-contractors or subsidiaries thereof shall, in relation to production, management, investment and commercial projects, respect the principle of free, prior and informed consent (FPIC), which states that communities have the right to either give or withhold their consent to proposed projects that can affect the lands they customarily own, occupy or otherwise use.

11. Environment

11.1 Measures to reduce negative impacts on health and environment throughout the entire value chain shall be undertaken by means of minimising emissions, promoting efficient, sustainable use of resources, including energy and water, and minimising greenhouse gas emissions in production and transport. The local environment in places of production shall not be over-exploited or damaged by pollution.

11.2 National and international environmental legislation and regulation shall be complied with and the relevant emission permits obtained.

12. Supplier routines and follow-up

A management system is key to the implementation of ethical guidelines. Norwegian people’s Aid emphasises the importance of suppliers using systems that support such implementation. Expectations are made clear in that:
• The supplier is to centrally appoint a person in the organisation whose responsibility is the implementation of the ethical guidelines in the organisation’s activities
• The supplier is to make the guidelines known in all relevant parts of the organisation
• The supplier is to obtain consent from Norwegian People’s Aid before production or parts of production are outsourced to a sub-contractor when this has not been agreed beforehand
• The supplier shall be able to account for where goods ordered by Norwegian People’s Aid have been produced

13. Respect for human rights and international humanitarian law
On 16th June 2011, the UN Council on Human Rights approved the guiding principles for implementing the UN “Protect, Respect and Remedy” framework. The UN principles provide an authoritative global standard for preventing and managing the risk of negative impacts on human rights in relation to business activities.

The guiding principles clarify the importance of companies’ responsibility to respect human rights, this also being an important part of Global Compact Principle 1, which urges businesses to support and respect protection of internationally proclaimed human rights.

In line with these principles, Norwegian People’s Aid expects all suppliers to respect internationally proclaimed human rights. The guiding principles specifically state: “Moreover, in situations of armed conflict, businesses should respect the standards of international humanitarian law”, and Norwegian People’s Aid expects our suppliers to respect the standards of international humanitarian law in situations where this applies.

14. Corruption
All forms of bribery are unacceptable, as well as the use of alternative channels to secure illegitimate private or business-related advantages for customers, agents, contractors and suppliers or their employees as well as public officers.

IV – Inspections and monitoring
In order to assess suppliers’ compliance with this standard, Norwegian People’s Aid will make use of inspections, carried out either directly by Norwegian People’s Aid employees or by an approved third party. We reserve the right to monitor compliance with the standards by means of systematic, unannounced or announced inspections by Norwegian People’s Aid personnel or independent auditors.

V – Remedial measures and lack of compliance
Norwegian People’s Aid requires that our suppliers and business partners respect the ethical standards in the course of their operations and production. We are fully aware that not all expectations can be fulfilled immediately but it is expected that non-compliances identified at the outset are followed up with remedial measures from the supplier. If non-compliance or repeated contraventions of the standards persist without the introduction of necessary remedial measures by the supplier, we consider that Norwegian People’s Aid has the right and obligation to terminate collaboration with the supplier.