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MELBYE GROUP

Ethical Trade Principles - Guide



SOURCING



Principle elements

In this document you will find a thematic overview of points included in Melbye Group AS guidelines for ethical trading and with an overview of some associated resources and tools.

Source: Ethical Trade Norway

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Forced labour

Forced labour takes various forms, including debt bondage, trafficking, and other forms of modern slavery.

What is forced labour?

Forced labour is work that is not entered into voluntarily, for example through the use of violence, threats, or work that is entered into voluntarily, but which subsequently turns out to be something other than what was presented, for example entering into contracts that were not understood or outright wrong. Forced labour can also be work that is perceived as very difficult or impossible to get out of, such as when passports, travel documents or wages are withheld, or the worker is tied to debt.

The victims are the most vulnerable, including women, children, the low-educated, immigrants and people who do not know about their rights. Forced labour takes various forms, including debt bondage and other forms of modern slavery, and is the main cause of human trafficking.

According to the ILO, nearly 21 million people are victims of forced labour worldwide, trapped in jobs where they were coerced or tricked into and cannot leave. Asia accounts for the largest number of forced labourers in the world—11.7 million (56 percent) of the total global total, followed by Africa at 3.7 million (18 percent) and Latin America at 1.8 million victims (9 percent). Source: ILO, April 2014

Melbye Group AS principles for sustainable business practices:

1. Forced labour/slave labour (ILO Conventions [No. 29](#) and [No. 105](#))

1.1. There shall be no form of forced labour, slave labour or involuntary labour.

1.2. Workers shall not be required to submit deposits or identity papers to their employer and shall be free to terminate their employment with a reasonable notice period.

Why is it important?

Forced labour is not only a violation of fundamental human rights, but also deprives society of the opportunity to develop skills and human resources and to educate children for tomorrow's labour market. Forced labour reduces productivity and results in, among other things, weaker economic growth, and threatens the livelihoods of entire families. Those who are subjected to forced labour are deprived of the right to develop.

Although companies operating legally do not normally employ such practices, forced labour can be associated with the company through business connections and suppliers. Therefore, all employers should be aware of the forms and causes of forced labour, as well as how it can occur in different industries.

Characteristics of supplier good practice:

- Have a strategy to ensure that forced labour is not used, or that the company will benefit from it.
- The employer keeps an employment contract for each employee, which is signed by both the employer and the employee.
- Employment contracts should be in a language easily understood by the worker and include procedures for terminating the employment relationship.
- The employer does not keep original identity papers and work permits, but archives copies.
- Neither the employer nor the employment agency requires a deposit from the worker before the employment can begin.

Resources:

ILO Helpdesk: [Business on International Labour Standards](#)

DK DIEH: [Covert forced labour guidelines](#)

Trade unionism

What is free unionization and collective bargaining?

Freedom of association is the right to voluntarily join an organization that will ensure that working conditions are decent, the workplace is safe, and that labour legislation is complied with. Freedom of association entails respect for the right of all employers and all employees to establish and participate in organizations of their choice freely and voluntarily. These organizations have the right to conduct their activities in complete freedom and without interference, including the promotion and defense of their professional interests.

Collective bargaining refers to a voluntary process or activity in which employees and workers discuss and negotiate the terms and conditions of work and the regulation of relations between employers, employees, and their organizations. Workers can also have their voices heard through representation on various committees.

Every year, hundreds of thousands of people lose their jobs in connection with union activities, employers do not hire or fire people with union affiliations and make threats of dismissal and violence.

Ethical trade Norway's principles for sustainable business practices:

2. Trade unionism and collective bargaining (ILO Convention No. 87, No. 98, No. 135 and No. 154)

2.1. Workers shall, without exception, have the right to join or establish trade unions of their choice and to bargain collectively. The employer shall not interfere with, obstruct, or oppose trade unionism or collective bargaining.

2.2. Trade union representatives shall not be discriminated against or prevented from carrying out their trade union work.

2.3. Where the right to free organization and/or collective bargaining is restricted by law, the employer shall facilitate and not hinder alternative mechanisms for free and independent organization and negotiation.

Why is it important?

Trade unionism and collective agreements are important key components for improving working conditions. The workers themselves know best where the shoe hits and are thus an important source of improvement. Involvement provides a sense of ownership and recognition that can increase motivation and satisfaction in the workplace, which in turn can contribute to increased productivity.

A number of studies suggest that the dynamics that result from freedom of association can set in motion a "decent work" cycle that increases productivity, revenues, and profits for all parties. In many cases, organizations have played a significant role in their countries' democratic transformation.

Businesses face many uncertainties in a rapidly changing global market. The establishment of genuine dialogue with freely chosen labour representatives facilitates, both for employees and employers, to better understand each other's challenges and find ways to solve them. Constructive rather than confrontational dialogue, which focuses on solutions, benefits the entity, its stakeholders and society at large, and is often more flexible and effective than government regulation.

Characteristics of supplier good practice:

- All workers may form and join a trade union of their choice, without fear of intimidation or reprisal, in accordance with national law
- A trade union has been established, with union representatives elected by vote of the workers
- There is an agreement between the employee organization and the employer that deals with matters such as wages and working hours
- Relevant information for having meaningful collective bargaining is available
- Where legislation or culture is a barrier, Norwegian companies can encourage working committees or groups.

Ethical trade Norway's members can encourage the establishment of working committees, for example on occupational safety and health, with workers' representatives, even in countries where there is no freedom of trade unions.

[See here for roadmaps and tools to work with, and implement free trade unionism in your own operations and in global supply chains.](#)

Resource:

ILO Helpdesk: [Collective bargaining](#)

ILO Helpdesk: [Freedom of trade unions](#)

[FoA Flyer EN](#)

[FoA Flyer UK](#)

[FoA Background and definitions](#)

[FoA Beyond audits](#)

[FoA Entry points to worker representation - mapping and action](#)

[FoA Indicators on freedom of association, worker representation and collective bargaining](#)

Child labour

What is child labour?

Child labour is work done by children who go beyond compulsory schooling, or otherwise perform work that is dangerous to the child's mental and physical development. All children under the age of 18 should not necessarily be removed from work. Basic rules according to international conventions and standards distinguish between what is acceptable or unacceptable work for children of different ages and stages of their development. The purpose is to ensure that businesses preserve children's rights, including the right to education and the right to live a life without abuse or exploitation and without being put at risk to life or health.

More than 168 million children between the ages of 5 and 14 work without access to school (Source: ILO, April 2014). More than half of them is subjected to the worst forms of child labour such as work in dangerous environments, slavery, or other forms of forced labour, illegal activities including drug trafficking and prostitution, and involvement in armed conflict. Children are easy victims and can be easy to control. An important reason why child labour exists is because parents cannot afford to provide for their children.

Light work from the age of 12-13 is allowed in most countries, i.e. helping with simple tasks such as walking with the newspaper. Such activities contribute to the development and welfare of children for their families, they provide them with skills and experience, and prepare them to be productive members of society during their adult lives. There is also falsification of birth documentation, which allows children to work at work that is actually illegal from an earlier age.

Ethical trade Norway's principles for sustainable business practices:

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

3.1. The minimum age for workers shall not be less than 15 years and in line with

3.1.1. national minimum age of employment, or

3.1.2. minimum age for compulsory schooling, with the highest age as applicable. If the local minimum age is set at 14 years in accordance with the exemption in ILO Convention 138, this may be accepted.

3.2. New recruitment of child workers in breach of the above minimum age shall not take place.

3.3. Children under the age of 18 shall not perform work detrimental to their health, safety or morals, including night work.

3.4. Action plans shall be established for the early phasing out of child labour in violation of ILO Conventions 138 and 182. The action plans shall be documented and communicated to relevant staff and other stakeholders. Support schemes shall be facilitated whereby children are given the opportunity for education until the child is no longer of school age.

Why is it important?

Child labour is harmful to a child's physical, social, mental, and psychological development from a premature age. Children are deprived of their childhood, education and dignity and can be separated from their families. Children who do not complete primary school are likely to remain illiterate and never acquire the skills needed to get a job and contribute to the development of a modern economy. Consequently, child labour results in unskilled workers and threatens future improvements in workforce skills.

Association with child labour is likely to damage a company's reputation. This is especially true when it comes to companies that have extensive supply chains, where the economic exploitation of children, even by a business partner, can damage a brand and have strong consequences for profit and value.

Characteristics of supplier good practice:

- Has adopted a policy against child labour
- Have procedures for verifying that young workers' identification papers are genuine
- Have a list of workers who are younger than 18 years of age
- There is an overview of which work operations employees under the age of 18 should not perform, and what working hours they should have
- If child labour is detected, help in seeking sustainable alternatives and access to adequate services for the children and their families (NB! It must not take measures that might force children into more exploitative forms of work).
- Exert influence on subcontractors, suppliers and other business associates to combat child labour.
- Where wages are not determined collectively or there is no minimum wage, steps must be taken to ensure that wages paid to adults take into account the needs of both them and their families.

Resources:

ILO Helpdesk: [Child labour](#)

ILO: [Overview of minimum age per country](#)

Discrimination

What is discrimination?

Discrimination in employment means treating people differently or less favorably because of characteristics unrelated to the demands of the job to be performed. In national legislation, these characteristics are usually included: race, color, sex, creed, political opinion, national ancestry, social origin, age, disability, HIV/AIDS status, trade union membership, and sexual orientation.

Non-discrimination simply means that employees are selected on the basis of their ability to do the job and that there is no distinction, exclusion, or preference made on any other basis.

Ethical trade Norway's principles for sustainable business practices:

4. Discrimination (ILO Conventions No. 100 and No. 111 and the UN Convention on the Elimination of Dis-Crimination Against Women)

4.1. There shall be no discrimination in employment, remuneration, training, promotion, dismissal or retirement based on ethnicity, caste, religion, age, disability, gender, marital status, sexual orientation, trade union work or political affiliation.

4.2. Protection shall be established against sexually intrusive, threatening, abusive or exploitative behaviour, and against discrimination or termination on unfair grounds, e.g. marriage, pregnancy, parenthood or HIV-infected status.

Why is it important?

From a business standpoint, discrimination doesn't make sense. Discrimination stifles opportunities and wastes human talent needed for economic advancement. It also leads to social tensions that can be disruptive to the environment, in business and in society. A business that uses discriminatory practices in employment denies even access to talents from a wider range of workers, thereby experience and skills that weaken competitiveness in the national and global economy. Combating discrimination is an important part of promoting decent work, and success on this front will have ripple effects far beyond the workplace.

Employees who experience discrimination in the workplace are denied opportunities and have had their basic human rights violated. This affects the individual, but also has broader social and economic consequences in that it negatively affects the contributions they could have made to society.

Characteristics of supplier good practice:

- Implementation of anti-discrimination strategies
- Hiring is not based on personal specifications
- Diversity among employees
- Equal pay for equal work
- Have up-to-date documentation of recruitment, training and advancement that shows opportunities for employees and their progression in the organization
- Develop grievance procedures on dealing with complaints that are well communicated
- Attention to formal structures and informal cultural norms that may prevent employees from complaining
- Encouragement and support for efforts to build an environment of tolerance and equal access to opportunities for vocational development – such as adult education, health and childcare services.
- Acquiring cultural knowledge: Risks and characteristics of typical discrimination issues in prod. Country/region

Resources:

ILO Helpdesk: [Discrimination and Equality](#)

[Gender equality in the supply chain](#)

Brutal treatment

What is brutal treatment?

Brutal treatment is behavior that violates a person's dignity or creates a frightening, hostile, degrading, humiliating, or offensive environment for them. The point is that the behavior is seen as degrading and unacceptable to the recipient. Brutal treatment must often be seen in the context of forced labour, child labour and discrimination. Brutal treatment can be part of a way to sanction workers, leading to production stoppages and late deliveries.

Brutal treatment is more likely, either between different groups of workers, or between managers and workers, as ground rules are unclear and when everyone is under pressure. Experience also shows that many managers are not sufficiently trained to lead employees and lack the competence to handle sensitive topics such as brutal treatment. Another problem is that most people don't see themselves as a leader. It is a particularly high risk when there is a multilingual workforce and communication in the workplace is more difficult.

Ethical trade Norway's principles for sustainable business practices:

5. Brutal treatment (Universal Declaration of Human Rights/UDHR)

5.1. Physical abuse or punishment, or threat of physical abuse is prohibited. The same goes for sexual or other abuse and other forms of humiliation.

Why is it important?

Workers who are treated well and with dignity and respect tend to be more efficient and productive. A safe and positive production environment free of threats is also of interest to the business, as it helps build loyalty, which can reduce recruitment and training costs. Brutal treatment can also be based on discrimination and part of forced labour.

Characteristics of supplier good practice:

- Strategies and policies to prevent brutal treatment, discrimination and forced labour
- Well-communicated rules and procedures
- Develop grievance procedures on dealing with complaints that are well communicated
- Good training of middle managers and workers on driving rules, which are well communicated
- Attention to formal structures and informal cultural norms that may prevent employees from complaining

A trade union or group has been established, with union representatives elected by vote of the workers

Health, safety and environment (HSE)

What is HSE?

Acceptable HSE conditions are when employees are protected against illness and injury as a result of employment. More than two million people die each year from work-related accidents and diseases. 317 million are exposed to accidents at work. Nevertheless, many of these tragedies can be prevented through the implementation of good prevention, reporting and inspection practices. Source: ILO April 2014.

Causes of injuries and accidents can be few requirements from the authorities, the worker and management do not know the dangers and/or possibilities and use equipment incorrectly or not safety equipment at all. Price pressures may also lead to HSE measures not being funded.

Ethical trade Norway's principles for sustainable business practices:

6. Health, safety and environment (ILO Convention No. 155 and ILO Recommendation No. 164)

6.1. Efforts shall be made to ensure a safe and healthy working environment for workers. Hazardous chemicals and other substances must be handled properly. Necessary measures shall be taken to prevent and minimize accidents and damage to health resulting from, or related to, conditions at work.

6.2. Workers shall receive regular and documented training in health and safety. Health and safety training will be repeated for new hires and redeployed workers.

6.3. Workers shall have access to clean sanitary facilities and clean drinking water. Where applicable, the employer shall also provide access to facilities for the safe storage of food.

6.4. If the employer provides lodging, it shall be clean, safe, adequately ventilated and with access to clean sanitary facilities and clean drinking water.

Why is it important?

Proper health, safety and environmental conditions prevent injury and illness. In the event of accidents and illness, employers face costly early retirements, loss of skilled employees, absenteeism, and high insurance premiums due to work-related accidents and illnesses. Quality and stable and safe deliveries are impaired. The negative consequences for workers and their families caused by accidents and illnesses are impossible to calculate.

Characteristics of supplier good practice:

- The employer has adopted an HSE policy for the business
- Regular HSE training for both management and workers
- Established an HSE committee where workers are represented, preferably with representatives elected by the workers themselves
- Keep a log of work-related injuries and accidents
- Escape routes are clearly marked, accessible and unlocked

Resources:

ILO Helpdesk: [Health, safety and environment](#)

Wages

What are wages?

Wages are undoubtedly among the most important conditions for work and employment at the enterprise level. Because wages are a cost to employers as well as the main source of income for workers, wages can be a potential source of conflict. Discussions around pay have thus become the main focus of collective bargaining worldwide. At the same time, wages can represent an important source of discrimination and distress if a decent wage level is not guaranteed for workers.

There is international agreement that wages should cover more than basic needs, including food, clothing, housing, health care and education, for workers and their families. In an attempt to regulate wages, minimum wages have become a standard in many countries, but this is often not enough to live on and is often not adhered to. In recent years, "living wage" has become a term because workers do not receive enough wages to cover their livelihoods, even though minimum wages have been paid.

Ethical trade Norway's principles for sustainable business practices:

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

7.1. Wages paid to workers for a normal working week shall at least be in line with national minimum wage provisions or industry standards, whichever is higher. Wages should always be sufficient to cover basic needs, including some savings.

7.2. Salary conditions and payment of wages shall be agreed in writing before work commences. The agreement should be understandable to the worker.

7.3. Deductions from wages as a disciplinary action are not permitted.

Why is it important?

Wages are the main source of income of the employee and make it possible to live a decent life. Too low wages necessitate extreme overtime, which leads to damage and poorer quality of goods. Parents' low wages can also force children into work, which is certainly not good for society. Workers who work a normal working week should be able to live on the wages they receive for it. Paying a living wage is not only important for their quality of life, but also a clear way to lift people up from a life of extreme poverty. A decent wage can also ensure stable labour and attract workers.

Characteristics of supplier good practice:

- The workers have contracts in which wages and working hours are clearly specified.
- The minimum wage is always achieved within normal working hours and the wage covers basic needs.
- The employer has a system that ensures regular and punctual salary payments. The workers receive pay slips that clearly specify the wage calculation.

Resources:

Wage indicator – [minimum wage overview](#)

ILO Helpdesk: [Salary](#)

Working hours

What are working hours?

The first ILO convention, adopted in 1919, limits working hours and provides adequate rest periods for workers. Today, ILO standards on working hours form the framework for regulated working hours, daily and weekly rest periods and annual holidays.

Many industries make extensive use of compulsory overtime, although most countries have statutory limits on weekly working hours of 48 hours or less. Reasons for overtime can be uncertain orders, double bookings, and short booking times. In many parts of the world, there is a significant correlation between low pay and excessive working hours. Overtime payment at premium, no fixed rate or minimum wage.

Ethical trade Norway's principles for sustainable business practices:

8. Working hours (ILO Conventions No. 1 and No. 14)

8.1. Working hours shall comply with national laws or industry standards and not exceed working hours in accordance with applicable international conventions. Normal working hours per week should normally not exceed 48 hours.

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

8.3. Overtime shall be limited and voluntary. The recommended maximum overtime is 12 hours per week, i.e., total working hours of 60 hours per week. Exceptions to this may be accepted if regulated by a collective agreement or national law.

8.4. Workers shall always receive overtime pay for hours worked over and above normal working hours (see section 8.1 above, minimum in accordance with applicable laws).

Why is it important?

Excessive working hours and insufficient periods of rest and recuperation can harm employees' health and increase the risk of workplace accidents. Long working hours prevent workers from getting adequate rest, attending to family responsibilities, and participating in society. Restrictions on workers' working hours ensure high productivity and at the same time safeguard workers' physical and mental health. By preventing the use of extreme overtime, high turnover is prevented, and sickness absence is reduced.

Characteristics of supplier good practice:

- The employer has good production planning that minimizes the need for overtime. This can be done by sufficient lead times from customers and good communication with them.
- Overtime work is voluntary. The weekly working hours including overtime are less than 60 hours even in high season.
- Workers are paid a living wage that doesn't require extreme overtime

Customers can continuously focus on purchasing practices regarding lead time, order setting, etc. to ensure that they themselves do not contribute to violations of ethical trading guidelines. To ensure good purchasing practices, one should have a good dialogue with suppliers about, among other things, delivery time.

Resources:

ILO Helpdesk: [Working hours](#)

Regular appointments

What are regular hires?

Regular employment is an obligation to workers and should not be circumvented through the use of short-term contracts (such as contract labour, casual workers, and day labour, subcontractors or other labour relations, in accordance with international conventions and/or national laws and regulations. All workers are entitled to an employment contract in a language they understand.

Ethical trade Norway's principles for sustainable business practices:

9. Regular appointments

9.1. Obligations towards workers in accordance with international conventions, national laws and regulations on regular employment shall not be circumvented through the use of short-term contracts (such as contract labour, casual workers, and day labour, subcontractors or other labour relations.

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

9.3. Apprenticeship programs shall be clearly defined in terms of duration and content.

Why is it important?

Many employees lack employment contracts, which contributes to lawlessness and systematically poorer working conditions. Temporary/seasonal workers may be vulnerable because they do not receive the same rights (wages, benefits, insurance, termination of employment as other workers. Irregular employment can also affect health, safety, and the environment in the workplace. Workers who are confident in their work are more likely to be more productive. If turnover is cut down, it can reduce recruitment and training costs and create broader and better skills among employees through further training and advancement.

Characteristics of supplier good practice:

- Have a clear contract with each worker, which is clear about working conditions, rights, wages, etc. in a way the worker understands
- Workers are not held on short-term contracts that are repeatedly renewed
- Have up-to-date documentation of recruitment, training and advancement that shows opportunities for employees and their progression in the organization
- Policy on engagement usage – when is it OK?

Resources:

ITUC -[International Trade Union Confederation](#)

ILO Helpdesk: [Regular appointments](#)

Marginalized populations

What are marginalized populations?

Marginalized populations may include indigenous peoples, persons belonging to national or ethnic, religious, and linguistic minorities, women, children, persons with disabilities, and immigrant workers and their families.

The 1966 International Covenant on Civil and Political Rights, art. 27, states that persons belonging to ethnic, religious, or linguistic minorities shall not be denied the right to "cultivate their own culture, profess and practice their own religion, or use their own language", nor only the material practice of culture as such, but also the material basis for the practice of culture. That is, land areas and natural resources.

Ethical trade Norway's principles for sustainable business practices:

10. Marginalized populations

10.1 The production and use of natural resources shall not contribute to the destruction of the resource and income base for indigenous peoples or other marginalized populations, for example by seizing large areas of land, irresponsible use of water or other natural resources on which these populations are dependent.

Why is it important?

The relationship between businesses and marginalized populations is complex and often difficult. Businesses and local populations look at the same landscape and see different things. The business sees the potential to leverage resources to generate revenue and profits, while local populations often see the country as an integral part of who they are – as part of their culture, spirituality, history, social organization, family, food security, economy, and health. The livelihoods of large areas, entire villages and populations may be at risk. Environmental degradation can quickly have greater impacts than expected and be difficult to restore.

For businesses managing this balance of interests can present a significant challenge, also because businesses can get in a squeeze with governments and locals. Not taking marginalized populations into account can also lead to long-term conflicts with local populations, organizations and authorities.

Characteristics of supplier good practice:

- Have a strategy for how the business should relate to local population groups and the environment
- Conduct a survey that includes meaningful dialogue with local populations
- Updated on relevant legislation and any political process

Environment

What is environment?

Many activities in a modern society lead to pollution of air, soil or water. Operations related to business and trade also naturally have an effect on the environment, directly and indirectly. Most companies affect the environment throughout the value chain, from raw material production to consumer waste management.

Ethical trade Norway's principles for sustainable business practices:

11. Environment

11.1. Negative environmental impact shall be reduced throughout the value chain. In line with the precautionary principle, measures will be implemented to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides and to ensure sustainable resource extraction and management of water, seas, forests and land, and the preservation of biodiversity.

11.2. National and international environmental legislation and regulations shall be complied with, and relevant emission permits obtained.

Why is it important:

In order to run a long-term and sustainable business, environmental considerations are important. If environmental requirements are not imposed, it will eat into the environment and the quality of life of those around them. Factories must be aware of and act on their environmental impacts.

Characteristics of supplier good practice:

- Has a precautionary approach to environmental challenges
- Taking the initiative to promote increased environmental responsibility
- Encourages the development and dissemination of environmentally friendly technologies
- Procedures and standards for the handling of waste, handling of chemicals and other hazardous materials, discharges and wastewater treatment must meet or exceed legal minimum requirements.

If the company produces, imports, processes, sells, or uses products, the enterprise has a special responsibility to have available information about these products. Everyone has the right to obtain environmental information from the company. Companies should take a precautionary approach to environmental challenges, take initiatives to promote increased environmental responsibility, and encourage the development and dissemination of environmentally friendly technologies.

Resources:

Webinar: [System suppliers Variable \(ppt\)](#)

Publicly available resources:

Excel template climate accounting from NFD: [How can state-owned companies keep climate accounts? - regjeringen.no](#)

Miscellaneous resources for greenhouse gas accounting based on the GHG protocol: [Calculation Tools and Guidance | GHG Protocol](#)

List of Norwegian ETS companies: [Emission allowances per enterprise](#)

The 2030 Calculator: A product carbon footprint calculation tool by Doconomy: [The 2030 Calculator: A product carbon footprint calculator](#)

Conversion factors for company reporting of greenhouse gas emissions: [Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK \(www.gov.uk\)](#)

Science Based Targets initiative: [How to set a science-based target - a step by step guide - Science Based Targets](#)

Corruption

What is corruption?

Corruption is bribing or accepting bribes, in the form of money, gifts or favors, in order for a person in a power role to give another person advantages outside the rules. Corruption occurs when a person in a position or office, private or public, sets aside the responsibilities and obligations associated with the position or office and abuses the power inherent in the position or office, thereby obtaining either a private advantage or reward, or unjustly seeking an advantage to his or her own organization or company. Corruption is destructive for development and poverty alleviation, for democracy and for unequal conditions of competition between companies, therefore corruption is considered a destructive being.

Ethical trade Norway's principles for sustainable business practices:

12. Corruption

12.1. Bribery of any kind is unacceptable, such as the use of alternative channels to secure illegitimate private or work-related advantages to customers, agents, contractors, suppliers or their employees, and government officials/women.

Why is it important:

The business sector operates in an increasingly global, complex, and demanding risk environment, and society shows a stronger zero tolerance for mistakes and accidents. Many Norwegian companies have experienced that they have lost contracts, assignments, and deliveries as a result of corruption. This has been an important driving force in our efforts to fight corruption. According to Norwegian law, corruption is a criminal offence. This also applies outside Norway's borders where Norwegian business interests are involved.

Characteristics of supplier good practice:

- Has a policy on corruption

Norwegian companies comply with the Norwegian Corruption Act, Section 276 must be complied with, the provisions concern complicity in corruption, as well as so-called trading in influence. In addition, the OECD Guidelines, as well as the UN Convention on Corruption, must be complied with as Norway is one of the countries that have ratified these. It is important that management makes legal boundaries known, makes ethical boundaries known, has ethical guidelines that are regularly followed up, sets a good example in practice and reacts clearly to breaches of the guidelines.

Resources

- Dilemma collection - Transparency International, NHO and the Norwegian National Contact Point
- Anti-corruption - short version
- Protect your business - Transparency International
- Corruption Perception Index - Transparency International
- Anti-corruption measures in the supply chain (TI long version) - Transparency international

Selected topics

Here you will find a thematic overview of points that are often included in guidelines for ethical trade with associated resources and tools. You can use this as a template to draw up your own guidelines and cover letters.

Living wage

Wages are the main source of income of the employee and makes it possible to live a decent life. Too low wages necessitate extreme overtime, which leads to damage and poorer quality of goods. Parents' low wages can also force children into work, which is certainly not good for society. Workers who work a normal working week should be able to live on the wages they receive for it. Paying a living wage is not only important for their quality of life, but also a clear way to lift people up from a life of extreme poverty. A decent wage can also ensure stable labour and attract workers and to avoid child labour.

Resources:

- Align: [Guidance tool on living wages and living income](#)
- Align: [Source-map living wage](#)
- [Asia Floor Wage Alliance](#)
- Ethical Trading Initiative: [Living wages](#)
- Fair Labour: [Wage Data Collection Tool & Fair Compensation Dashboard](#)
- Fair Labour Association: [Fair Compensation Toolkit](#)
- Fair Wear Foundation: [Living Wages: An Explorer's Notebook](#)
- [Global Living Wage Coalition](#)
- IDH: [List of Recognized Living Wage Benchmarks](#)
- IDH: [Roadmap on Living Wages](#)
- The ACT Initiative: [A Global Commitment on Living Wages](#)
- Wage Indicator: [Living Wages](#)

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