

ANNEX 4

 **STATSBYGG**

**CODE OF
RESPONSIBLE
BUSINESS CONDUCT**

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1 Introduction

Statsbygg promotes decent working and environmental standards in our supply chains. We will continuously work to improve our own policies and practices, including our purchasing practices. We will do this in dialogue with our suppliers and other stakeholders. We aim to achieve mutually beneficial supplier relationships built on common values and expected behaviour.

Statsbygg expects our suppliers to communicate the requirements of this code of responsible business conduct (CoC) to their sub-suppliers and work towards their compliance with the requirements, in addition to their own efforts to be compliant.

Statsbyggs suppliers shall always conduct its business in a responsible manner, based on the duty to respect human and labour rights, protect health, safety and the environment and that business is conducted in accordance with internationally recognised principles for business ethics.

2 National legislation

In all of their activities, Statsbyggs suppliers must operate in full compliance with the legislation, rules and regulations of the countries in which they operate. Where the provisions of applicable local laws and CoC address the same subject, and they are not in conflict, the highest standard shall be applied. Where any of the requirements in the CoC conflict with applicable local legislation in the sense that it would represent a breach of applicable local legislation if the CoC were applied, the highest standards that are consistent with applicable local legislation shall be applied.

3 Human Rights¹

Suppliers are expected to support and respect the protection of all human rights and ensure that they are not complicit in human rights abuses. They should avoid infringing on the human rights of others and address adverse human rights impacts with which they are involved.

4 Labour standards

Suppliers are expected to be committed to upholding the rights of workers, and to treat them with dignity and respect as understood by the international community. The rights of workers are defined in the International Labour Organisation Conventions, and the requirements are:

4.1 Forced labour²

Forced, compulsory, bonded or indentured labour or involuntary prison labour shall not be used. All work will be voluntary, and workers shall be free to leave upon reasonable notice. Workers shall not be required to lodge government-issued identification, passports or work permits to the Supplier or Labour Agent as a condition of employment.

¹ International Bill of Human Rights

² ILO Conventions Nos. 29 and 105

4.2 Freedom of Association and the Right to Collective Bargaining³

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

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

Where the right to freedom of association and collective bargaining are restricted under national law, the Supplier shall allow workers to freely elect their own representatives.

4.2 Child labour⁴

Child labour shall not be used. The Supplier shall not employ or use child labour. In these Principles "child" means anyone under 15 years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply. "Child labour" means any work by child or young person unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C 138).

No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.

Policies and procedures for remediation of child labour prohibited by ILO conventions no. 138 and 182, shall be established, documented, and communicated to personnel and other interested parties.

If any child is found working at the premises of the Supplier, it shall immediately take steps to redress the situation in accordance with the best interests of the child.

4.3 Non-Discrimination⁵

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

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

³ ILO Conventions Nos. 87, 98, 135 and 154

⁴ (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)

⁵ ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women, UN Covenant on Civil and Political Rights, Art. 7

4.4 Harsh or Inhumane Treatment⁶

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

4.5 Health and Safety⁷

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

Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

4.6 Wages⁸

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

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

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

4.7 Working Hours⁹

Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours. Workers shall be provided with at least one day off for every 7 day period

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

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

⁶ UN Covenant on Civil and Political Rights, Art. 7

⁷ ILO Convention 155 and ILO Recommendation 164

⁸ ILO Convention No. 131

⁹ ILO Convention No. 1 and 14

4.8 Regular Employment¹⁰

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

All workers are entitled to a contract of employment in a language they understand. The duration and content of apprenticeship programmes shall be clearly defined.

4.9 Marginalized Populations¹¹

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

4.10 Environment

Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimizing pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimizing greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or degraded. National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

5 Business integrity and prohibited practices¹²

The highest standards of integrity are to be expected in all business interactions. Suppliers and their agents shall prohibit any and all forms of corruption, extortion and embezzlement. Monitoring and enforcement procedures shall be implemented to ensure conformance.

Neither Statsbygg nor any of its employees shall ever offer or accept illegal or unlawful monetary gifts, facilitation payments, or any other form of remuneration, in order to secure a business related or private benefit, or for the benefit of their customers, suppliers or business partners.

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted, directly or through an intermediary.

The Supplier shall not, directly or indirectly, offer gifts to Statsbygg's employees or representatives or anyone closely related to these, unless the gift is of modest value. Hospitality, such as social events, meals or entertainments may be offered if there is a business purpose involved, and the cost is kept within reasonable limits. Hospitality, expenses or gifts shall not be offered or received in situations of contract negotiation, bidding or award. Travel expenses for the individual representing Statsbygg shall be paid by Statsbygg.

¹⁰ ILO Convention No. 95, 158, 175, 177 and 181

¹¹ UN Covenant on Civil and Political Rights, art. 1 and 2

¹² UN Convention on Corruption UNCAC and OECD's Guidelines

6 Boycott of and sanctions against companies

Statsbygg will avoid buying from a country when there is a broad international consensus to boycott the country, or when sanctions against the country have been implemented by the United Nations. We will avoid engaging with industries or companies when there is a broad consensus to boycott due to the negative social, environmental or ethical effects of the products, services or companies. We expect our suppliers to implement a similar policy.

7 Monitoring suppliers' compliance with the requirements

The supplier shall be able to document their efforts to secure compliance with the code of conduct, and those of their sub-suppliers, at Statsbygg's request. Such documentation may take the form of follow-up meetings, inspections, third party audits or other means of mapping the working conditions at production sites. The supplier shall be obliged to provide the name and contact information for any sub-supplier that Statsbygg requests in order to map compliance with the requirements.

In the event of a breach of the code of conduct, Statsbygg and the supplier will jointly prepare a contingency plan for remedying the breach. Remediation shall take place within a reasonable period of time, as mutually agreed. The business relationship will only be terminated if the supplier shows unwillingness to remedy the breach following repeated enquiries.

The supplier shall have an effective management system for handling complaints relating to human rights, workers' rights, environmental issues and corruption. The supplier shall ensure that both workers and external parties, such as local communities and civil society organisations, are able to submit complaints.

8 Consequences of non-compliance – Termination of the contract

This CoC sets the standard expected to be met by all our suppliers throughout the value chain. If these requirements are not met by a supplier, the parties will discuss corrective actions through an open dialogue.

If it is established that (i) a supplier is unwilling or unable to carry out corrective actions which Statsbygg finds necessary in order to comply with our CoC, or (ii) the supplier or any of its sub-suppliers has committed a substantial breach or repeated breaches of the requirements, Statsbygg is entitled to terminate the business relationship and any contract(s) with the supplier.

Appendix 1:

UN Convention on Corruption - <https://www.unodc.org/unodc/en/treaties/CAC/>
UN's Global Compact's 10 principles - www.unglobalcompact.org/
OECD Guidelines for multinational enterprises – <http://www.oecd.org/corporate/mne/>

Appendix 2:

List of references to international conventions and declarations:

The Universal Declaration of Human Rights and The International Bill of Human Rights – www.un.org

Freely Chosen Employment

ILO Conventions Nos. 29 and 105

Freedom of Association and the Right to Collective Bargaining

ILO Conventions Nos. 87, 98, 135 and 154

No Child Labour

UN Convention on the Rights of the Child

ILO Conventions Nos. 138, 182 and 79

ILO Recommendation No. 146

No Discrimination

ILO Conventions Nos. 100 and 111

UN Convention on Discrimination Against Women

Safe and Hygienic Working Conditions

ILO Convention No. 155

ILO Recommendation No. 164

Adequate Wages

ILO Convention No. 131

No Excessive Working Hours

ILO Convention No. 1 and 14

For more information from the International Labour Organization (ILO), visit www.ilo.org.

For more information about the Ethical Trading Initiative Norway (ETIN), visit

<http://etiskhandel.no/English>

STATSBYGG
ADDRESS P.box 8106 Dep. N-0032 Oslo

Biskop Gunnerus' gate 6 (Byporten) 0155 Oslo

PHONE 815 55 045
FROM ABROAD + 47 22 95 43 30
ONLINE: statsbygg.no
E-MAIL: postmottak@statsbygg.no

