

Policy for responsible business conduct for Røde Kors Tøy og tekstil AS

1. Introduction

Røde Kors Tøy og tekstil AS is a wholly owned subsidiary of the Norwegian Red Cross. The aim of the company is to collect clothing and textiles, dedicating its profit of sales to the humanitarian work of the Red Cross. The company should respect and promote sustainability and environmental and ethical issues, thus contributing towards more sustainable consumption and production patterns.

To respect and promote sustainability and environmental and ethical issues entail among other things respecting fundamental requirements for human rights, workers' rights, the environment, and anti-corruption in all our practice. We want to achieve this by way of close cooperation and dialogue with our corporate customers, suppliers, and business partners. To illustrate what we expect of ourselves and those we cooperate with, we have prepared this policy.

This document should be read in conjunction with

- Regulations for corporate customers of Røde Kors Tøy og tekstil AS
- Procurement regulations for the Norwegian Red Cross
- Ethical and confidentiality agreement for volunteers and employees in the Norwegian Red Cross
- Standard procurement terms and conditions for suppliers to the Norwegian Red Cross

Røde Kors Tøy og tekstil AS is member of Ethical Trade Norway and we work continuously to improve our own policy and practice. As a member of Ethical Trade Norway Røde Kors Tøy og tekstil AS commits to working actively with due diligence for responsible business conduct. Due diligence is a risk-based approach to respect and safeguard people, society and the environment in our own business and throughout the supply chain. We expect our corporate customers, suppliers and partners to follow the same approach.

2. Requirements own business

Røde Kors Tøy og tekstil AS acknowledges that our business conduct can potentially have negative impact on people, society and the environment. At the same time, we see the potential to contribute to positive development. With this in mind, we have compiled the following principles and criteria guiding our own business:

2.1. Due diligence

Røde Kors Tøy og tekstil AS shall conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative

impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.

2.2. Responsible purchasing practices

Røde Kors Tøy og tekstil AS considers responsible purchasing practices to be an important tool for responsible business conduct. Our relationship with our suppliers is regulated by procurement regulations for the Norwegian Red Cross.

2.3. Freedom of association and worker representation

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

2.4. Anti-corruption

Personal integrity shall be shown in all work in and for Røde Kors Tøy og tekstil AS, without dishonesty, fraudulent action or corruption. This is regulated in the ethical and confidentiality agreement for volunteers and employees in the Norwegian Red Cross

2.5. Countries affected by trade boycott

Røde Kors Tøy og tekstil AS, including our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

2.6. Requirements conditions in the supply chain

We expect our suppliers and partners to work focused and systematically to comply with our guidelines for suppliers, as outlined in procurement regulations for the Norwegian Red Cross.

3. Principles for responsible business conduct (Code of Conduct)

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. The relevant legal framework at the place of production shall be respected. Where national laws and regulations address the same subjects as these guidelines, the most stringent shall apply.

3.1. Forced and compulsory labour (ILO Conventions Nos. 29 and 105)

- 3.1.1. There shall be no forced, bonded or involuntary prison labour.
- 3.1.2. Workers shall not be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

3.2. Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

- 3.2.1. 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.
- 3.2.2. Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

- 3.2.3. Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers' representation and negotiations.

- 3.3. Child Labour (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)
 - 3.3.1. The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or; the age of completion of compulsory education, whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
 - 3.3.2. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
 - 3.3.3. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
 - 3.3.4. 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. Adequate support shall be provided to enable such children to attend and complete compulsory education.

- 3.4. Discrimination (ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)
 - 3.4.1. 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.
 - 3.4.2. 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.

- 3.5. Harsh or Inhumane Treatment (UN Covenant on Civil and Political Rights, Art. 7)
 - 3.5.1. 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.

- 3.6. Health and Safety (ILO Convention No. 155 and ILO Recommendation No. 164)
 - 3.6.1. 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.
 - 3.6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
 - 3.6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.6.4. Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

3.7. Wages (ILO Convention No. 131)

3.7.1. 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.

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

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

3.8. Working Hours (ILO Convention No. 1 and 14)

3.8.1. 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.

3.8.2. Workers shall be provided with at least one day off for every 7-day period

3.8.3. 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.

3.8.4. Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

3.9. Regular Employment (ILO Convention No. 95, 158, 175, 177 and 181)

3.9.1. 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.

3.9.2. All workers are entitled to a contract of employment in a language they understand.

3.9.3. The duration and content of apprenticeship programmes shall be clearly defined.

3.10. Marginalized Populations (UN Covenant on Civil and Political Rights, art. 1 and 2)

3.10.1. 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.

3.11. Environment

3.11.1. Negative impact on the environment shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be taken 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, oceans, forest and land, and the conservation of biodiversity.

3.11.2. National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

3.12. Corruption

3.12.1. Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.

3.13. Animal welfare

3.13.1. Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.

3.13.2. National and international animal welfare legislation and regulations shall be respected.

Version log:

Date	Version	Description	Approved
23 May 2018	1.0	Code of Conduct for Røde Kors Tøy og tekstil AS	Approved by the board of Røde Kors Tøy og tekstil AS
21 November 2022	2.0	Policy for responsible business conduct for Røde Kors Tøy og tekstil AS	Approved by the board of Røde Kors Tøy og tekstil AS